Daily Report

Latin America

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CONTENTS

INTER-AMERICAN AFFAIRS

C.A. Foreign Ministers Meeting Ends *[Guatemala City]* 1
Economically Less Developed Group Meets *[Asuncion HOY 7 Apr]* 1

CARIBBEAN

Cuba

New U.S. Measures of 'Aggression' Against Panama 2
Fidel Castro Inaugurates Lens Craft Shop 2
More Remarks at Lens Shop 2
Further on Castro at Hemoderivatives Plant 3
Congolese Prime Minister Pays Official Visit 6
Delegations Begin Talks 6
Meets With Malmierca 6
Vatican Archbishop Arrives in Havana 7
Meets With Officials 7
Fishing Industry Minister Pays Visit to Peru 7
Received by Alan Garcia 7
Signs Fishing Cooperation Accord 7

Dominica

Economic Assistance Accord Signed With France 7

Dominican Republic

Official Says No Information on Haitian's Asylum 7
Police Admit Detaining Communist Leader 8

Haiti

Mrs Manigat, Foreign Minister Depart for Taiwan 8
Government Opponent Implicated in Volel Murder 8
Strikes at Cement Plant, Flour Mill Reported 8
Further on Strikes, Demands 9
Hinche Peasants To Defy Any Eviction Attempt 9
New Government Newspaper Established 10
Courses on Civics for Christians Established 10

Jamaica

U.S. Reports Linking Seaga to Drugs Protested 10
Manley Travels to Spain for Economic Meeting 11

MEXICO

U.S. Accused of Seeking Legalized Intervention *[EL DIA 7 Apr]* 12
Attorney General Views Antidrug Efforts 12
'Medellin Cartel' Link Arrested in Sinaloa *[AFP]* 12
Technical Group With Saudi Arabia Planned 13
Role, Effectiveness of Solidarity Pact Viewed *[EL NACIONAL 8 Apr]* 13
Briefs 13
Petrochemical Production Figures 13

CENTRAL AMERICA

El Salvador

President Says No Cabinet Changes Planned *[EL DIARIO DE HOY 7 Apr]* 14

Honduras

President Not 'Ruling Out' State of Emergency 14
Constitutional Guarantees Suspended for 15 Days *[ACAN]* 14
Decree Suspending Rights 14
President Azcona Cancels Trip to Italy 15
Government Repudiates Events at U.S. Embassy 15
Peasants Attack U.S. Army Engineers *[ACAN]* 16
Tourists Evacuated *[ACAN]* 16
Police Disperse Demonstrators Outside Congress *[ACAN]* 16
Bombs Explode *[ACAN]* 16
Calm 'Slowly Returning' *[DPA]* 17
Traffickers Said Arming Opposition Groups *[DPA]* 17
Government Asks Parents To Keep Children Home 17
Students Warned 17
Student Leaders Criticized 17
Molotov Cocktails at School 18
Government Warns Against Media 'Agitation' 18
Reporters Arrested *[ACAN]* 18
Reporters Released *[AFP]* 19
Azcona Summons Media Owners *[ACAN]* 19
Arrests Protested *[ACAN]* 19
Government Pledges To Maintain Peace, Order 20
Urges Terrorism Rejection 20
Denounces 'Anarchic' Actions 20
Government on Terrorist Plans, FMLN Presence 21
Warns of Infiltration 21
Party Urges Azcona Trial for Deaths, Matta *[DPA]* 21

Nicaragua

Government-Contra Cease-Fire Talks Suspended 21
Government Proposal 21
Cuadra on Talks 24
RN Delegate Comments 26
RN on Disagreements *[AFP]* 26
Obando Doubts 15 Apr FSLN-Contra Meeting *[ACAN]* 27
Ortega on Factors Leading to Sapoa Accord 27
Ortega Sees Off Mozambican President 8 April 28

Panama

Papal Nuncio Offers To Mediate Conflict *[DPA]* 28
Noriega Letter to McGrath on Dialogue *[LA ESTRELLA DE PANAMA 9 Apr]* 28
Molirena Withdraws From National Dialogue 29
Arnulfo Arias Returning 'In Next Few Days' *[LA ESTRELLA DE PANAMA 9 Apr]* 29
Civic Crusade Leader De la Lastra Released 29
'Incident' Between FDP, U.S. 'Invasion Forces' 29
FDP Disperses March in Chiriqui, Arrests 31 *[San Jose]* 30
Decision Not To Print Paper Money Reiterated *[DPA]* 30
Planning Minister Requests SELA Banking Aid 30
National Savings Bank Board on Sector's Plight 31
Lt Col Wong on Role of Military Intelligence *[LA REPUBLICA DOMINICAL 10 Apr]* 32
'Differences' in U.S. Government Over Policy 33
U.S. 'Colonial, Warlike' Deployment 'Futile' *[CRITICA 9 Apr]* 33
Suspension of Flights by U.S. Airlines Decried 34

SOUTH AMERICA

Argentina

President Alfonsin Returns From Brazil 35
Asylum Officially Granted to Paraguayan 35

Brazil

Sarney Extols Cooperation With Argentina 35
Joint Nuclear Policy Declaration With Argentina *[FOLHA DE SAO PAULO 8 Apr]* 36
Alfonsin on Nuclear Safeguards *[NOTICIAS ARGENTINAS]* 37
Presidents Dedicate Plant *[TELAM]* 37
Minister on Peaceful Program 37
CNEA Chief on Alliance *[DYN]* 37
Alfonsin Ends Visit, Departs 38
Officials on Navy Nuclear Facilities, Program *[FOLHA DE SAO PAULO 7 Apr]* 38
Daily Views Nuclear Counterespionage *[FOLHA DE SAO PAULO 7 Apr]* 39
Sarney Praises State of National Economy 40
Preview of Government Economic Measures *[O ESTADO DE SAO PAULO 8 Apr]* 40
Nobrega on Economic Measures 41

Paraguay

Judge Orders Arrest of Miguel Saguier *[EL DIARIO 8 Apr]* 41
Seeks Asylum at Argentine Embassy 42
Government on Asylum Request *[EL DIARIO 10 Apr]* 43

C.A. Foreign Ministers Meeting Ends

PA082327 Guatemala City Teleonce Television in Spanish 0400 GMT 8 Apr 88

[Text] The Central American foreign ministers, who met in a Guatemala City hotel throughout the day and well into the night on Thursday [7 April], reached precarious accords as the result of their lengthy deliberations, it was reported after the meeting was over.

The specter of failure haunted the room where the five foreign ministers met behind closed doors. This appeared to become even more pronounced when the Nicaraguan foreign minister left the room hurriedly, while reporters present speculated on the cause of his sudden departure. Later, however, the reporters quieted down after the Costa Rican foreign minister cursorily announced that the five countries had finally signed a joint communique stating that the negotiations initiated with the Esquipulas II agreements signed in Guatemala City in August 1987 were to be resumed.

Guatemalan Foreign Minister Alfonso Cabrera Hidalgo later reported on the agreements reached as the result of the tense talks that lasted all day long:

[Begin Cabrera Hidalgo recording] The meeting was very significant and the discussions were profound and serious. We made some headway in the discussion of various topics, which I will explain to you reporters. We established which of our countries will request an on-site verification, in accordance with the Salvadoran meeting agenda. We agreed to request the cooperation of Canada, the FRG, and Spain in establishing and proposing verification mechanisms and designating qualified technicians to conduct this on-site security verification. After we hold consultations with them, these countries will report to us whether or not they accept our invitation to cooperate with the Central American peace plan. Should they accept, they will advance proposals for verification mechanisms so that we can confirm the holding of the next Executive Commission meeting, tentatively set for May; that is, within the next 30 days. Final decisions will be made with the consent of our countries once we have approved the verification mechanisms.

Nevertheless, we depend on the willingness of these countries, through the UN mechanism, as established, to play a part in the verification process. Therefore, we will hold these consultations. In addition, we thank Dr Ramirez Ocampo [not further identified] for an economic and social development plan presented by [words indistinct]. This plan contains a full economic and financial cooperation plan for Central America that would contribute toward the Central American peace plan. We have urged the United Nations to implement this peace plan immediately. We, the foreign ministers, have convened the Regional Committee of Refugees and the Displaced for January 1989, because we are concerned about this particular problem. These are the three fundamental topics dealt with in the document, along with a couple of additional reports you reporters will have a chance to read later. [end recording]

Economically Less Developed Group Meets

PY080020 Asuncion HOY in Spanish 7 Apr 88 p 11

[Excerpts] Commerce and Industry Minister Delfin Ugarte has proposed modifying the ALADI treaty to better fulfill the organization's ideals of integration. He said the present mechanisms "are not useful for our countries' objectives. It is necessary to seek new ways to reach our goals." The minister made these comments yesterday during the inauguration of a joint meeting of members of the group of Relatively Less Economically Developed Countries [Paises de Menor Desarrollo Economico Relativo] (PMDER).

Ugarte told representatives of Bolivia, Ecuador, Paraguay, and members of the ALADI Board that the purpose of the PMDER meeting is "to find formulas for the equitable participation of these countries in the process of Latin American economic integration."

Looking back, the minister said the process of integration that was stalemated under LAFTA [Latin American Free Trade Association] "has experienced serious regression, especially in the last few years, affecting the mechanisms that favor PMDER countries."

Ugarte said that progress, made with great difficulty in the 1960's and 1970's regarding multilateral agreement mechanisms and the suppression of tariff barriers, "has suffered a serious setback due to the fragmented and distorted application of ALADI instruments."

"We returned to the old system of bilateral negotiations, with the resulting reappearance in all its intensity, of sectorial interests, the defense of inefficiency, and the widespread application of all kinds of safeguards and restrictive measures that prevent the full implementation of the agreements," the minister emphasized. [passage omitted]

The minister's basic proposal is the immediate implementation of a free trade zone for PMDER countries, in view of the political decision by the 11 member countries to gradually establish a free trade zone and a Latin American common market.

The proposal includes establishing a zone of priority investments that favor PMDER countries, a regional system of financing for their faster development, the creation of a special fund for such financing, and a regional policy of technical assistance to these countries.

Deliberations are set to begin at 0900 today with discussions of the proposed topics.

Cuba

New U.S. Measures of 'Aggression' Against Panama

PA101404 Havana International Service in Spanish 1600 GMT 9 Apr 88

[Text] U.S. President Ronald Reagan has adopted new measures of economic aggression against Panama as another step in his efforts to force the fall of the Panamanian authorities. Invoking the economic emergency powers act, Reagan ordered the freezing of all Panamanian funds in the United States and prohibited all U.S. companies and individuals from making payments to the Panamanian Government. He also issued a prohibition against U.S. companies in Panama paying taxes to the Panamanian state. In February, the U.S. Government had frozen 50 percent [as heard] of the Panamanian funds deposited in U.S. banks, and in March it stopped paying for the use of the canal.

Fidel Castro Inaugurates Lens Craft Shop

FL081620 Havana Television Service in Spanish 0000 GMT 8 Apr 88

[Text] In Havana today, Commander in Chief Fidel Castro, first secretary of the PCC and president of the Councils of State and Ministers, presided over the inauguration of the lens craft shop in La Lisa, the Arroyo Naranjo hemoderivates plant, and the 25th Avenue.

[Begin Castro recording] Comrades: Anyone could say we planned to inaugurate these projects on international health day. Nothing is further from the truth. It is a coincidence, a happy coincidence, of course. We had been thinking for days when to inaugurate them. Talking with Comrade Lezcano, we agreed to inaugurate it on a certain day. I believe it was said on Thursday and it so happened it was 7 April. So it appears to be in honor of international health day. This is not rare because here all days are health days. This is the truth.

These are enormous services that the country can count on; this facility with a new workshop and the one [Julio; minister of public health] Teja mentioned that is being modernized in Las Villas. It will meet all the needs for eyeglasses and lenses in the country. I believe that when one thinks about all this one can appreciate the importance of this factory we have inaugurated today.

The case is the same as regards hemoderivatives. There are many illnesses and treatments that require hemoderivative products. They either have to be imported or produced in the country. They are very expensive. Albumin and specific gamma globulin or polyvalent, as they call it, and a number of other products are used to treat many illnesses. Teja mentioned some.

There is also a small research center at the hemoderivates plant. They not only produce but also conduct research. I talked with several comrades there who work with a lot of enthusiasm in the production of new products. This hemoderivates plant can also produce millions of dollars. We will be able to export around 40 percent of the production when we reach the capacity of 100,000 [not further specified] after broadly meeting our needs. In this way, we can save a few million dollars a year in order to continue with this process because all this costs a lot.

We will have to work on this for some years if we really want to develop ourselves, if we really want to make progress, if we want to solve problems. I am not saying it will be forever but now, as we have said before, we have to recover lost time, move quickly, and show in fact a true cult of work. Definitely, a cult of work has to be shown. [applause] [end recording]

More Remarks at Lens Shop

FL081810 Havana Tele-Rebelde Network in Spanish 1227 GMT 8 Apr 88

[Text] Coinciding with world health day, Commander in Chief Fidel Castro Ruz, first secretary of the PCC Central Committee and president of the Councils of State and Ministers, inaugurated a lens craft center located in the grounds of the optic articles production enterprise in La Lisa. Prior to the inauguration ceremony, the commander in chief toured the new plant.

[Begin recording] [Speaker] The curve-generation process begins here.

[Castro] What is this mark for?

[Speaker] To find the curvature later, so it always falls in the center of the lens.

[Castro] This is not something that is placed; what is this?

[Speaker] The curvature is ground.

[Castro] And this one? I do not see that it was ground.

[Speaker] No, because when the curve-generation process is completed, when it goes to the washer, then the blocking process begins.

[Castro] Which one?

[Speaker] The blocking process. [Words indistinct] finished lenses. They are completed at this point.

[Castro] Where are they fitted?

[Speaker] At the provincial prescription shops, according to the patient's unique specifications. Then in the concave side they make...

[Castro, interrupting] Is this reduced to more than half?

[Speaker] Depending on the gradation.

[Castro] This leaves this place as it is.

[Speaker] Yes, as far as we are concerned, it is completed.

[Castro] So this needs to be worked on further at the optical center?

[Speaker] In the case of bifocals, yes.

[Castro] In bifocals, and in the other one?

[Speaker] No, it would only be in the case of bifocals. We do the other procedures here.

[Castro] So this is your finished product.

[Speaker] In the case of bifocals.

[Speaker] Here we have tools for the first stage consisting of a diamond bar. It has natural diamond. Each bar costs us approximately $9.00; more than $8.00.

[?Castro] Each one?

[Speaker] Each one.

[Castro] How much has to be spent on this a year?

[Speaker] [Words indistinct]

[Speaker] This costs more or less $12.00. The one we use now is Soviet. We changed it and now we use a Soviet one.

[Castro] How much does each bar cost?

[Speaker] I estimate that this bar costs around $30.00.

[Castro] Each bar?

[Speaker] No, this entire thing. This is installed in the machine like this.

[Castro] What is it you say you need 5,000 of? How much of this do you need?

[Speaker] It depends on the gradations we are going to make.

[Castro] Are they in the thousands?

[Speaker] They never reach the thousands. They are in the hundreds.

[Castro, speaking with women working in lens craft shop] How old are you, my dear?

[Speaker] Twenty-one.

[Castro] Twenty-one. What did you study?

[Speaker] Chemistry.

[Castro] Up to what level?

[Speaker] Third year.

[Castro] You are a midlevel chemistry technician. Does your work relate to your profession?

[Speaker] Not really.

[Castro] In a broad sense, right? Well, there is some chemistry in [words indistinct].

[Castro, speaking to another woman] Are you doing the same thing your comrade is doing?

[Speaker] Yes.

[Castro] Are you doing all right?

[Speaker] Yes.

[Castro] How many minutes do you leave it there?

[Speaker] Forty seconds.

[Castro] Only 40 seconds? Why does the other one leave it 2 and 1/2 minutes?

[Speaker] Because it is not the same thing. She is not doing the same thing I am doing. It is the same job, but it is a different [words indistinct]. It is left less time than the one she was working on. [end recording]

Further on Castro at Hemoderivatives Plant

FL091400 Havana Tele-Rebelde Network in Spanish 1145 GMT 8 Apr 88

[Text] Commander in Chief Fidel Castro Ruz, upon concluding his tour of the hemoderivates plant, spoke with reporters on several matters.

[Begin recording] [Castro] This is a very important center because of its production. An infinite number of products derived from blood, which are called hemoderivates, are used in medicine. They are of great importance in the treatment of a number of health problems. The institute is needed to satisfy our needs. The workers explained to me each of the products and noted what they are used for. The products may also have some export possibilities. The institute will not only be able to satisfy our needs for a number of products, but it may also have some surpluses and we will be able to export products such as albumin. They have begun a production plan of 40,000 and hope to take it to 80,000. I think they told me they will finally reach about 100,000.

[Reporter] One hundred thousand liters of plasma?

[Castro] To process 100,000 liters of plasma and to produce different products with it.

[Reporter] Yes, of course.

[Castro] This is very important for health. This center had been under construction for quite some time. They have already been able to put it into operation, work in it, and begin to produce. However, we still want to do some additional things. We want to make some additional investments, such as refrigerator compressors. There are some areas in the operation which need to be improved. Necessary equipment has already been purchased in order to improve the operation's weak areas.

This is the first time we have had this kind of plant. We also aim to gradually modernize it. The equipment comes from various places. They will be able to evaluate which equipment is giving them better results.

The Soviet health minister was here because this investment was done with the cooperation of the Soviets. I spoke with him and he told me he was thinking about helping us modernize. He said that from the moment the idea was conceived to the present, new and more efficient equipment has become available. I noticed he had great interest in helping us modernize this newly inaugurated plant.

The plant is very sophisticated. It reminds me a little of the electronics component plant in Pinar del Rio because there are places here where they have to work in a vacuum, they have to freeze-dry products and put them in containers. There are others who have to do this work in totally sterile conditions in what we can call production halls, workshops. They are constructed in a certain way and use a particular procedure to guarantee sterility in their work and for their personnel.

The center is impressive because of the complexity of the operation. The organization and quality of the personnel, the scientists, is also impressive.

[Reporter, interrupting] [Words indistinct]

[Castro] The staff is not just composed of women; there are also some men in the scientific area. However, in the laboratory production area, the professional staff is basically composed of women. The personnel are well trained. Above all, they are enthusiastic and dedicated to their work, which is more important than training [corrects himself], just as important. It is an indispensable complement to training.

It is also noteworthy that this center, which had an initial planned payroll of some 160 people, has reduced it to 105. They said they still have not been able to completely achieve certain goals such as multiple-task jobs. This means that they could reduce it a bit more. You must keep in mind that they have more than 15 persons in the area of research. This is so because it is not only a production center but also a research center that coordinates with other research institutes in the country. They are doing very interesting things in that field, in research. They also need some resources in research; I have already asked them. Every time we go into a research center we find a researcher who needs a small lyophilizer or a small centrifugal machine of a certain type, or a certain refrigeration machine. Generally, every time the country is able, it helps these research centers which are always doing better work.

[Reporter] Will the plant be linked to the largest blood bank that is currently under construction in the country?

[Castro] It will be linked to that one but it will certainly be linked to others.

[Several people speak simultaneously] It will be linked to all the blood banks.

[Castro] I was told that for some of the products that will be made here, certain conditions must be established in the blood banks. They were telling me about a product for hemophiliacs. It is very important. This product requires certain conditions to be manufactured. The blood has to be frozen briefly, at minus 30 degrees, or something like that. It requires a process of rapid freezing. Even though it is a new product, it has its requirements for the blood bank. It has to be frozen quickly and some extra work has to be done with it. It is very complex but extremely interesting.

[Reporter] Another matter that I wanted to discuss with you is the rectification process that you and the party have guided the country through. You stated that it was going to be a long-term process. However, the first results can already be noticed in projects which used to take a long time to complete and are finally being finished. Nevertheless, we still have a long way to go because the rectification process is a long-term process and not everything good can appear rapidly in terms of the quality of the projects which have been completed and in savings of materials. Would you like to comment on that idea? Do you agree? What is your opinion?

[Castro] Well, it doesn't have much to do with health day but it pertains to the fact that some of the projects are health-related projects. Of course, I think that this is a long-term struggle. There are many old and new things which have to be rectified. There are things that are almost millennial which have to be rectified, for example, discrimination. Some things are centuries or millennia old. However, I think that the first fruits of that rectification process are seen in a number of things, in the much more serious work on the part of everyone. You can see it in all organizations. You can see individuals, all officials, much more committed, in the sugar harvest, agriculture, construction, everywhere. There are many examples beginning to be noticeable, not only in the capital but in all the provinces of the country. You are all putting forth a very serious effort.

Yesterday, I had the opportunity to read a report sent to me by the comrades of Pinar del Rio on the water conservation projects, to recover water. But there are projects which are ahead of schedule by 2 years from the initial completion plan. It is incredible; people are working 12, 13, 14 hours with much seriousness, enthusiasm. I will give you an example.

They had an accelerated plan so that the Pinar del Rio highway reached the city on 26 July. That was already a very intense program. They had planned to inaugurate it on 30 April. You can get to Pinar del Rio using two roads now. That long trip which used to last 2 1/2 or 3 hours, because of the many curves, now can be done in approximately 1 1/2 hours, even up to 1 hour 25 minutes, 1 hour 20 minutes, all the way from Havana to Pinar del Rio. They were determined and now have really done a great feat.

Those who are working at the dams are doing the same thing. Those working at the canals are doing the same thing, those who are working on the roads and aqueducts in Pinar del Rio are doing the same. You find this in other areas as well. Big efforts are being made in the sugar harvest, big efforts are being carried out in tobacco. They are even struggling so that the time will come when it will no longer be necessary to mobilize forces from the capital to the province to work on the tobacco harvest by applying science and technology. You can see a number of things which are being done in the plains, the mountains, in all sectors. It is really something noteworthy. It gives the impression that by working like that fast progress can be achieved.

[Reporter] Do you think that....

[Castro, interrupting] You see many things, you notice this happening in Camaguey, in Oriente, in the former eastern provinces. You can already see the first fruits. Not in everything. We cannot be satisfied. It would be a great fallacy to say we are doing well. The problem is not only to continue building but to continue with this spirit, to extend, for example, the spirit of the minibrigades to all activities. Now we can find many factories, factories which had been set back quite a bit, rising again. There are a number of activities in which you can begin to see improvement.

You can see these improvements in health services. But we are not satisfied. I remember the past three year-end meetings I have attended, in 1985, 1986, and 1987. Sometimes they have not been at the end of the year but at the beginning of the next one. These meetings were held with representatives of all hospitals in the capital. I remember the first one which was held around December 1985. There were huge problems. There was a total paralysis. They didn't have maintenance supplies, they didn't have anything. If you went back to the third meeting—they are recorded on television as usual—you could compare them. The first meeting lasted 2 days, and the last one lasted a few hours. However, you can see in a very concrete example the never-ending rosary of calamities presented in the first meeting, the matters that were already being discussed. You saw a rosary of things done by the hospitals. This year, in 1987, we have done this and that; we have resolved things with our own means. We have fixed and recovered beds with our maintenance brigade. At the other meeting, it was said we have lost beds. Suffice it to say that in that other meeting.... [does not complete thought]

At the Salvador Allende Hospital, where the employees performed very good work, we found out that there were 14 warehouses. This is just to give you an example of a different organization. Because once, I don't know for what reason, the tunnels, [corrects himself] basements had been used for storage. This was happening. Imagine this happening in a hospital. It is an incredible thing. I have some examples, to give you an idea of some concrete things in terms of how work is being done.

In how many areas must work be done? In 50, 100 areas. I would say we are making progress in a number of areas. But I think this progress should be contagious. It has to be like dynamite. It is said that dynamite explodes in the manner of a chain reaction; when there is an explosion here, there is another explosion there. We also, just like a chain reaction, must have this explosion of enthusiasm, seriousness, and effort extend to all areas. In other words, it is a process which is in its beginning stages but shows much promise. The good thing about it is that the results you see show all that this process promises.

Look at how they are working in agriculture this year. There was only a brief period of good weather. There were not enough people to pick the potato, garlic, and tomato harvests. We expect all vegetable production to continue during the entire year by fighting against the heat of June, July, August, September. Different varieties are being studied. Research is being conducted to see which vegetables... [changes thought] Not all, because there are some vegetables that cannot be harvested here in August or September. They do not grow, they get pests, weeds grow fast and compete with the plants. In general, I am watching. We are very far from being satisfied. We are excited because we are seeing the first results of this process.

[Reporter] Without claiming victory, could you sum up all this by saying that Cuba is getting ahead [Cuba va]?

[Castro] Cuba?

[Reporter] Is getting ahead.

[Castro] Well, I believe that Cuba is making progress. The most notable thing about this process is that it is being carried out at the time of greatest limitation of resources, in terms of convertible currency. It is being

done with practically half of what was available previously. You know what that means; waiting for the little ship to arrive, and the like. Through savings, people make efforts to substitute exports, build parts, find other kinds of solutions.

At a center such as this one I saw a gold cap and I asked—because I saw a small group—where it came from. I was told it came from France. I saw a little cap with rubber and asked how much it cost. I was told it is cheap compared to how expensive the product itself is. But if you do not have that cap you cannot manufacture the product, so you need the cap. You need that little thing and many others to have production, thousands, tens of thousands, and many of them have to be obtained through convertible currency.

As a rule, the goods from socialist countries are guaranteed. Sometimes, some of them are delayed, but we do not lack them because of problems involving finances. We have more difficulties with the goods from the convertible currency area. Of course, sometimes we also have problems with socialist goods. It happened with transportation. I asked that it be published because they didn't want to mention it. Nobody has to be hurt or offended. Let's explain the truth objectively.

There were difficulties in sugar prices in our relations with Hungary, in the trade agreements. There were obstacles that blocked the signing of the agreements. We did not want trade relations to change. We have discussed the concerns the country has, we had to discuss them at length. It couldn't be solved. The problem of the supplies for the games was not solved; it was not solved [repeats himself].

The Czechoslovaks had problems with the plant that produces gear boxes, and the gear boxes are from the CSSR. All those problems began to accumulate and resulted in a transportation crisis. We did not want to blame anyone. The laborers, the mechanics, were making big efforts and the people were not being told there was a problem. I said: Explain it well. No one needs to be hurt or offended to explain the truth. Indeed, when it was explained, even the Hungarians made a big effort to help us with a problem created by factors that were beyond our control. It was pleasant to be able to say that although these factors were related to the problem, the countries made serious efforts to help. But people need to understand that it was not due to negligence.

Congolese Prime Minister Pays Official Visit

FL071553 Havana Radio Progreso Network in Spanish 1100 GMT 7 Apr 88

[Text] Ange Edouard Poungui, prime minister of the People's Republic of the Congo, arrived in Cuba last night on an official working visit.

The Congolese leader and those accompanying him were received at the capital's airport by Vice President Carlos Rafael Rodriguez and Foreign Minister Isidoro Malmierca. The Congolese delegation will visit scientific, cultural, and economic centers and hold talks with party and government leaders.

Delegations Begin Talks

FL080239 Havana Television Service in Spanish 0000 GMT 8 Apr 88

[Text] Ange Edouard Poungui, member of the Politburo of the Congolese Labor Party and prime Minister of the People's Republic of the Congo, this afternoon held official talks with Ricardo Cabrisas, Cuban foreign trade minister.

The meeting was held in a friendly atmosphere in which they analyzed bilateral relations, as well as other aspects related to strengthening trade.

Present at the meeting were officials from the Ministries of Foreign Trade and Foreign Affairs, the State Committee for Economic Cooperation, and the National Bank of Cuba.

The Congolese prime minister will be in Cuba until 15 April. He will hold talks with party and state leaders. He will also tour areas of economic and scientific-technical interest.

The delegation headed by Poungui also began official talks today in Havana. The Cuban delegation was headed by Carlos Rafael Rodriguez, vice president of the Councils of State and Ministers.

The participants discussed topics related to the political and economic scenes, particularly the situations in Africa, Latin America, and Central America.

It was agreed that there is plenty of room to develop bilateral economic cooperation.

Meets With Malmierca

FL090107 Havana Television Service in Spanish 0000 GMT 9 Apr 88

[Text] Ange Edouard Poungui, prime minister of the People's Republic of the Congo and member of the Politburo of the Congolese Labor Party, and the high-level delegation accompanying him today held talks with Isidoro Malmierca, member of the PCC Central Committee and Cuban foreign minister.

Also participating in the meeting was Congolese Ambassador to Cuba Wilson Abel de Sabeca, Cuban Vice Foreign Minister Giraldo Mazola, and Cuban Ambassador to the Congo Diego E. Gonzalez, as well as other Cuban Foreign Ministry officials.

Malmierca and the illustrious guest of the Cuban Government evaluated the international situation and foreign policy, especially with regard to Africa and Central America. They also discussed bilateral relations and aspects of the Nonaligned Movement, of which both Cuba and the Congo are members.

Vatican Archbishop Arrives in Havana

FL071625 Havana Radio Progreso Network in Spanish 1100 GMT 7 Apr 88

[Text] Titular Archbishop (Fiorenzo Angelini), co-chairman of the pontifical commission of the Holy See's pastorate for health workers, has arrived in Havana from Madrid. During his brief stay in the country, the archbishop will visit hospitals and other places of interest.

Meets With Officials

FL082530 Havana Radio Progreso Network in Spanish 1100 GMT 8 Apr 88

[Text] Msgr (Fiorenzo Angelini), co-chairman of the pontifical commission of the Holy See's pastorate for health workers, will end his visit to Cuba today.

The Vatican archbishop met here with officials from the Ministry of Public Health and religious and Catholic figures [as heard] who work in the field of health.

Fishing Industry Minister Pays Visit to Peru

FL061415 Havana Radio Progreso Network in Spanish 1100 GMT 6 Apr 88

[Text] Jorge Fernandez Cuervo, Cuban minister of the fishing industry, arrived yesterday in Lima, Peru. The official said he will work with Javier Labarthe, his Peruvian counterpart, on the final points of a fishing agreement which the two countries have been studying for several months.

Received by Alan Garcia

FL071605 Havana Radio Progreso Network in Spanish 1100 GMT 7 Apr 88

[Text] Peruvian President Alan Garcia received in Lima yesterday Jorge Fernandez Cuervo, Cuban minister of the fishing industry. The officials discussed bilateral relations and analyzed a draft fishing agreement to be signed soon between the two countries.

During the meeting, the Cuban fishing industry minister conveyed to the Peruvian leader greetings from President Fidel Castro.

Signs Fishing Cooperation Accord

FL081510 Havana Radio Progreso Network in Spanish 1100 GMT 8 Apr 88

[Text] Jorge Fernandez Cuervo and Javier Labarthe, Cuban and Peruvian ministers of fisheries, respectively, have reported in Lima that Cuba and Peru signed a fishing cooperation agreement for the mutual benefit of their respective countries.

Five Cuban boats will fish in Peruvian waters during the 1st year. They expect to catch approximately 70,000 tons of fish. Thirty percent of this amount will be turned over to Peru.

Dominica

Economic Assistance Accord Signed With France

FL072119 Bridgetown CANA in English 1701 GMT 7 Apr 88

[Text] Roseau, Dominica, April 7, CANA—The Governments of France and Dominica signed an agreement here Wednesday to provide for EC16 million dollars (1 EC dol;37 cents U.S.) of French assistance to this country in the next three years.

Under the agreement, assistance to Dominica will average [sentence as received].

About 60 percent of the aid will be in the form of grants and the remaining 40 percent in loans, to be repaid in 15 years at 3.75 per cent interest following a five-year moratorium.

French Ambassador Rene Bucco-Riboulet and Prime Minister of Dominica Miss Mary Eugenia Charles initialled the document at government headquarters, following two days of talks between a 14-member French mission and a Dominica Government delegation.

Dominican Republic

Official Says No Information on Haitian's Asylum

FL072133 Santo Domingo Cadena Brea Pena in Spanish 0930 GMT 7 Apr 88

[Text] The secretary of foreign relations has said that he has no official information that former Haitian presidential candidate [as heard] Luc Innocent had been to the Dominican Foreign Secretariat to ask for political asylum. Interviewed at the National Palace, Dr Donald Reid Cabral declared that he had not summoned the Haitian politician, who has said he fears for his life. Reid Cabral told reporters that he would try to find out about Mr Innocent's request once he was back in his office.

He also confirmed that the U.S. Government has asked for the approval of its new ambassador to the Dominican Republic to replace Mr Lowell Kilday.

Police Admit Detaining Communist Leader

FL071325 Santo Domingo Cadena Brea Pena in Spanish 0930 GMT 7 Apr 88

[Text] The northeastern command of the police has confirmed that Tancredo Vargas Cruz, the [word indistinct] leader of the Dominican Communist Party, was detained in San Francisco de Macoris. From the beginning, the command had categorically denied that Vargas Cruz was in prison. Yesterday, the public relations office of the northeastern command of the police admitted that indeed Tancredo Vargas is under investigation by the Secret Service Department.

A commission of the provincial committee for the defense of human rights of the northeatern city, chaired by its president, Professor Rafael Alvarez Castillo, had been making inquiries since yesterday regarding the whereabouts of the well-known communist leader. Vargas' detention took place after scores of labor, neighborhood, cultural, and political organizations expressed their support of the call for a strike scheduled for today, Thursday, demanding that the government lower the prices of food, medicines, and services and increase salaries.

Haiti

Mrs Manigat, Foreign Minister Depart for Taiwan

FL052056 Port-au-Prince Radio Nationale in Creole 1300 GMT 5 Apr 88

[Text] A press release from the Office of the Director of Information announces that Haitian first lady Mirlande Hyppolite Manigat, who is also senator for the Department of the West, departed Saturday, 2 April, on an official 10-day visit to Taiwan at the invitation of the Government of the Republic of China

Mrs Manigat left at the same time as Gerard R. Latortue, minister of foreign affairs, international cooperation, and worship. Latorture was also invited to Taiwan by the Chinese Government.

The first lady was accompanied by her private secretary, Mrs Chant Courtois, and an officer from the presidential guard, Lieutenant Jacques Denis.

After her visit to Taiwan, Mrs Manigat will go to Paris, where she will attend the opening of an exhibit of Haitian paintings on 15 April at the Grand Palais.

The opening ceremony will be presided over by International Cooperation Minister Latortue and his French counterpart, Michel Aurillac. Mr Latortue will read a message to the French people from Cultural Affairs Minister Franck Etienne.

Government Opponent Implicated in Volel Murder

FL072113 Port-au-Prince Radio Antilles-Internationales in French 1700 GMT 7 Apr 88

[Text] (Jean Camille Musac), a Haitian notary close to Luc B. Innocent, who opposes the government, has been arrested by the police, a military spokeman announced Tuesday over television.

Mr (Musac) is the owner of the house in Port-au-Prince that Mr Innocent rents. The police recently found pistols, munitions, telecommunications equipment, and empty bottles with which to make Molotov cocktails in this house, the spokesman added.

According to the police, these things were discovered thanks to information furnished by two other people close to Mr Innocent: Lucien Alexandre and Luc Cesar, who were arrested recently in Fort Liberte, northeastern Haiti. The two were brought to Port-au-Prince following their arrest.

According to the military spokesman, Mr (Musac) has implicated Mr Innocent in the 13 October 1987 assassination of another member of the opposition, Yves Volel, who was a presidential candidate and head of a political group, the Christian Democratic Assembly.

Mr Volel was killed in front of the Police General Headquarters in Port-au-Prince, where he had gone to meet with a prisoner who was a client of his law office. According to journalists and photographers who were present, the murder was committed by policemen wearing civilian clothes.

For its part, the police claimed that the victim, who was accompanied by armed individuals, had been killed during an exchange of gunfire.

Mr Innocent, a member of the Haitian opposition, is from Cap Haitien and heads a political group called the Revolutionary Unity Movement, MUR. He spent most of the time the Duvaliers were in power in exile in Venezuela.

The authorities said recently that Innocent is in the Dominican Republic.

Strikes at Cement Plant, Flour Mill Reported

FL081200 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 7 Apr 88

[Excerpt] This week, after strikes at Teleco and the Minoterie d'Haiti [the national flour mill] in recent weeks, Ciment d'Haiti has gone on a general strike called as of today by the plant's union to demand a wage increase.

According to union officials, in the law allowing the plant to operate, provision had been made for a chapter dealing with a wage increase for workers. The Social

Affairs Ministry later annulled this section. The union protested, but the Finance Ministry said there was no way salaries could be increased.

Now the workers are not happy. Union officials say that if the government has a money problem today the problem is not at the level of Ciment d'Haiti, which is still producing and selling cement in Haiti. Thus, today they began a strike of unlimited duration with a view to obtaining a wage increase. [passage omitted]

Further on Strikes, Demands

FL082103 Port-au-Prince Radio Metropole in French 1600 GMT 8 Apr 88

[Text] There are strikes at the national cement factory and also at the national flour mill. Three hundred employees of Ciment d'Haiti S.A. went on strike yesterday to demand a wage increase. The president of the plant's union said that this strike is a warning to the plant's administration and to the Social Affairs Ministry.

According to the union president, the Labor Ministry [as heard] eliminated one of the clauses of the collective contract. This is a clause that provided for automatic yearly wage increases for employees. The union president feels that although the government's income may be meager for the time being, this is not the case at the cement plant, which last month sold close to 200,000 bags of cement, representing approximately $1 million.

The Social Affairs Ministry official in charge of labor conflicts, for his part, told the press that the union had not given him enough time to find a solution to this crisis. He added that he had only received notice from the union on Monday, 4 April, at the end of the work day.

We point out that the union has not said when it will lift its strike.

The employees of the Minoterie d'Haiti are also on strike. They, like the employees of Ciment d'Haiti, have stopped work in demand of a wage increase. Let's listen to their statements to Radio Metropole.

[Begin recording] [Unidentified speaker] After the CNG [National Government Council] handed the reins of power over to the current government, we went on a warning strike. During this strike, the director asked us to negotiate. But since he had said certain things to us before, and then later denied that he had said them, we said we wouldn't negotiate without our lawyer. So we got our lawyer, Mr Jean Claude Nord, and had him contact the director. The director sent his lawyer to our lawyer's office, where they negotiated for a time. They gave us a certain percentage.

The next day, after (?seeing) our lawyer, we went to the director (?with) our lawyer and his lawyer to try to fix things. But it was a verbal agreement. The director said he was going to meet with his superiors to have them approve it.

We struck on 16 March. Since 16 March, they have never called us in.

On Monday, the director was to have met with us, but he never sent for us. On Tuesday, we sent him a letter promising to strike. He gave us an appointment for today at 1300. When we got there, he said his superiors had not approved the promises he had made. Thus, we were obliged to take action.

Flour production is halted. Everything is halted.

[Reporter] What do you think the repercussions of this might be, as regards activities in Haiti, if this situation goes on for long? After all, flour is considered an article of prime necessity.

[Speaker] Well, I don't know if the current government, contrary to what it said when it came to power, will come to continue U.S. policy. We think the government will not let things go too far. We are not on strike because we like going on strike! We know it affects the poor. [end recording]

You have heard from employees of the national flour mill, who, like the employees of Ciment d'Haiti S.A., are on strike for a wage increase.

Hinche Peasants To Defy Any Eviction Attempt

FL082201 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 8 Apr 88

[Text] Fifty peasants from the 3d section (?called) (Akwaitchonn) on the right bank of the Commune of Hinche are crying out against the exploitation by the government, which makes them pay taxes but never does anything to improve their living conditions.

They say in a press release that they have been on state lands for 25, 40, even 70 years. They have been paying taxes all this time, they say, but have never gotten anything in return.

What's worse, their land is no good anymore. It is thanks to the fact that they go to the Dominican Republic from time to time that they are still alive.

Nevertheless, this does not prevent the government offices in Thomassique from going after them to make them pay taxes. They say the final straw came on 2 April, when the tax office official came to the area and said the peasants had to pay taxes for the use of public land or be evicted.

They inform the authorities in Hinche, Thomassique, and Cerca la Source that anyone who tries to evict them without giving them a better place to move to will face trouble from them.

New Government Newspaper Established

FL081452 Port-au-Prince Radio Soleil Network in Creole 1830 GMT 6 Apr 88

[Text] The new government paper has been christened LE PROGRESSISTE HAITIEN, a name most observers say appears to stem from the same line of thought as the RDNP, the Assembly of Progressive National Democrats.

According to the 29 March decree putting an end to HAITI LIBEREE and setting up LE PROGRESSISTE HAITIEN, the role of this new paper is to provide the public with information about the government's activities.

Does this mean it is a party paper, or a paper for propaganda?

In any case, the paper will be headed by (Antonin Dumas Pierre), who spent more than 20 years abroad and who worked in "Kolektif Parol," a group of intellectuals and journalists in Canada who write about Haiti.

Courses on Civics for Christians Established

FL082210 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 8 Apr 88

[Excerpts] At the initiative of Caritas Haiti, the Social-Pastoral Institute is setting up a program to provide Christians in Haiti with civic, social, and political training. [passage omitted]

The church must help its members shoulder their responsibilities at this current juncture in Haiti. Caritas Haiti, through the Social-Pastoral Institute, wishes to make a serious effort to educate Christian citizens in the civic, social, and political areas. It wishes to produce people who are very knowledgeable about the church's social doctrine and who have real and accurate knowledge of the country's problems, as well as of the possible alternative solutions to these problems. [passage omitted]

Courses will be taught from 1630 to 1830 on Wednesdays and Thursdays. [passage omitted] They are to begin on 18 April and end on 17 June. Students will be asked to pay $10 per month. [passage omitted]

Jamaica

U.S. Reports Linking Seaga to Drugs Protested

FL090236 Bridgetown CANA in English 0001 GMT 9 Apr 88

[By Paget de Freitas]

[Text] Kingston, Jamaica, April 8, CANA—Jamaica said on Friday it had lodged a protest with the U.S. State Department over testimony in the U.S. Congress this week implicating Prime Minister Edward Seaga and the island's police commissioner in drug smuggling

In view of the grave implications for the entire country and for the individuals mentioned in the testimony, the Jamaican ambassador in Washington yesterday lodged a formal protest with the State Department, Foreign Minister Hugh Shearer said in a statement. Shearer also called the U.S. ambassador in Kingston, Michael Sotirhos, to register the government's strongest possible objection to the allegations.

The minister said the testimony on Tuesday by Michael Vogel, a convicted narcotics dealer, was allowed to stand without further probe into the allegations to establish if these statements were accurate or whether the information was committing perjury.

Shearer also complained to the ambassador that a US Information Agency Advisory on the matter, though clearly designated for foreign service circulation and containing inaccuracies, was nevertheless released to the media in Kingston.

The local USIA office tried to recall the report but by then it had already been published or broadcast by local media organisations, with names omitted to get around the laws of libel. However, some sections of Vogel's testimony was broadcast live in the United States.

Vogel, serving a 12-year term for international drug trafficking, told the Senate hearing on terrorism, narcotics, and international communications that Jamaica has long been used as a drug trans-shipment point, and that many Jamaican officials have been bribed, including the chief of police. He also claimed that contacts in Cayman Islands had told him that Seaga was sending very large sums of money to the Cayman Islands where he owned a building worth US38 million dollars.

Vogel's charge came after the U.S. Administration had highly praised Jamaica's drug interdiction and eradication efforts, with assistant secretary of state, Elliott Abrams, underlining Seaga's efforts.

In Washington on Friday Deputy Secretary of State John Whitehead again praised the anti-narcotics efforts of the Seaga administration. He noted Vogel was a convicted drug dealer, adding: His testimony about the prime minister and unnamed Jamaican officals is completely unsubstantiated.

His allegations about the prime minister were based on an unidentified source in the Cayman Islands and at best are completely hearsay.

Shearer said further steps were proceeding through the appropriate channels to, as speedily as possible, bring full satisfaction to Jamaica and the officials mentioned in the blatantly false testimony.

Manley Travels to Spain for Economic Meeting

FL082220 Bridgetown CANA in English 1452 GMT 8 Apr 88

[Text] Kingston, Jamaica, April 8, CANA—Opposition Peoples National Party (PNP) leader, Michael Manley, was in Spain Thursday for a meeting of the Economic Committee of Socialist International (SI), the PNP announced.

Manley is chairman of the committee whose major work has been to draft an SI strategy to deal with world economic problems. SI links socialist and social democratic parties.

The PNP said that before returning to Jamaica next week, Manley will have meetings in Europe and North America with organisations and groups about the PNP's programmes for Jamaica's development.

General elections are expected here this year, and the PNP is leading in the opinion polls.

U.S. Accused of Seeking Legalized Intervention

PA101621 Mexico City EL DIA in Spanish
7 Apr 88 p 12

[Boldface as published]

[Text] The Latin American tour begun yesterday by controversial U.S. Attorney General Edwin Meese is an effort to legalize U.S. military intervention on the continent under the pretext of the antinarcotics struggle.

The proposal of the U.S. Justice Department, which has some initial support in Congress, generally promotes the establishment of a multinational force composed principally of U.S. troops trained by the United States with the possibility of **attacking zones** and providing **protection** for officials of the antinarcotics corps, of the United States, obviously. Meese's proposal to sound out Latin American governments expressly states that when it mentions forces, it means military forces.

Interventionist desires are evidently encouraged by the facility that certain Latin American governments have to request the presence of U.S. troops in their territories, such as Honduras or, more recently, Costa Rica, which requested them to drill water wells near the Nicaraguan border. The present case of Panama should serve as an example for Latin America of what U.S. troops could do in our countries.

Agreeing to the establishment of a force of this nature, becoming part of it, and allowing it to intervene wherever it decides to do so is tantamount to mortgaging the sovereignty and independence of the Latin American nations; it is tantamount to letting the fox into the chicken coop.

In case a proposal of this nature should be completely or partially successful, we would be repeating the sad role played by the forces from those Latin American countries who supported the invasion of the Dominican Republic in 1965 by sending a few of their own soldiers.

The one and only point on which there is rapprochement is that the struggle against the narcotics traffic should be a **multinational** action. However, the struggle strategy does not include the establishment of multinational military or police forces. It calls for a struggle by the forces of each nation in the framework of their sovereignty and the assumption by each nation of its corresponding share in the struggle. Here one must clearly state that there will be less narcotics trafficking when there are fewer consumers. The number of consumers in the United States has almost doubled in 2 years, but it cannot pretend to shift the responsibility for this on anyone. It must conscientiously look for the reasons for this increase in its society and not declare itself, a priori, innocent and shift the guilt outside its borders.

Attorney General Views Antidrug Efforts

FL091715 Mexico City NOTIMEX in Spanish
0321 GMT 8 Apr 88

[Text] Aguascalientes, Mexico, 7 Apr [NOTIMEX]—Mexican Attorney General Sergio Garcia Ramirez has reported that more than 40 people from the Attorney General's Office have died in confrontations with drug smugglers during the current administration.

In a brief interview granted to NOTIMEX, Garcia Ramirez said that, hopefully, the loss of those lives is valued by the Mexican people and all people of good will. He also stressed that the Attorney General's Office will continue its constant fight against drug trafficking.

After noting that they are working intensely to fight that evil of our society, the attorney general stressed that federal and regular law enforcement authorities are making efforts to improve security conditions. Likewise, he acknowledged that Aguascalientes is a state where important progress has been made with regard to implementation of justice.

Although I am not the best qualified person to judge what is done here, I am a witness who gives credit and appreciates the good work of the state authorities and the level of security and well-being registered in this state, he asserted.

The Mexican attorney general came to the central state of Aguascalientes today to attend the the funeral of Felipe Serafio Avelar, 2d commander of the Saltillo judicial police, who died yesterday in a car accident on the Saltillo-Mexico City road.

Garcia Ramirez' visit only lasted 30 minutes. He went from the airport directly to the funeral home, where he remained for approximately 15 minutes. Then, he immediately returned to Mexico City.

'Medellin Cartel' Link Arrested in Sinaloa

PA081336 Paris AFP in Spanish 0354 GMT 8 Apr 88

[Text] Mexico City, 7 Apr (AFP)—One of the main contacts for the so-called "Medellin Cartel" in Mexico was arrested today by Federal Judicial Police agents. He was responsible for receiving large shipments of cocaine and shipping them to the United States.

Filemon Medina Medina, alias "the Cocaine King," was arrested as a result of investigations that began after more than 2,000 kg of pure cocaine were seized near the U.S.-Mexican border.

Police spokesmen said that Medina was arrested in Altata, northeastern Sinaloa State, where he had set up a safe house.

A group of Mexicans and Colombians arrested in February had implicated Medina Medina.

At that time, the drug traffickers confessed that they were exchanging powerful weapons for cocaine provided by the "Medellin Cartel." According to the U.S. Justice Department, the "Medellin Cartel" is responsible for smuggling 85 percent of the cocaine used in the United States.

Preliminary investigations showed that Medina Medina received the drugs send by the Colombian traffickers.

Technical Group With Saudi Arabia Planned

FL082328 Mexico City NOTIMEX in Spanish 1725 GMT 8 Apr 88

[Text] Mexico City, 8 Apr (NOTIMEX)—Mexico and Saudi Arabia have agreed to create a bilateral technical group for petroleum which will meet periodically and analyze the conditions of the international hydrocarbon market.

Nevertheless, in yesterday's meeting between Fernando Hiriart, Mexican energy, mines, and parastatal industry secretary, and Hisham Nazir, Saudi minister of petroleum and mineral resources, no measure was agreed upon to stabilize the international oil market and help turn around the prices of the black gold.

It was unofficially reported that Saudi Arabia requested Mexico's cooperation to reduce its export platform by an average of 5 percent.

Pemex Director Francisco Rojas said during the talks that Mexico would work diligently toward this goal but under the (?assurance) that the rest of the oil producers, whether or not they are OPEC members, would reduce their export platform by a similar amount.

Minister Nazir acknowledged that one country alone cannot make oil prices reach a reasonable level where there is more than one country—he did not say who—that does not comply with the agreements and also offers discounts in its trade operations. The Saudi official and representative of the principal world oil power said that his country is not interested in flooding the market with cheap crude oil. He said that a new price war would benefit no one; it would only weaken the already damaged oil price structure.

Nazir held talks yesterday morning with Secretary Hiriart. He met with Pemex Director Rojas in the afternoon. The Saudi oil minister later visited Mexican President Miguel de la Madrid in the official residence, Los Pinos. Later that evening, Nazir attended a dinner held in his honor.

The minister later departed for Vienna, where he will meet with four OPEC ministers to analyze the corrective measures that will make hydrocarbon prices turn around.

Role, Effectiveness of Solidarity Pact Viewed

PA101800 Mexico City EL NACIONAL in Spanish 8 Apr 88 p 2

[Editorial: "Sustained Disinflation"]

[Text] It could not be any other way: Every solidarity pact should lead to positive results. In economics, it is difficult for business sectors to adjust to a truly important commitment if they cannot foresee substantial results. The Economic Solidarity Pact offered promising perspectives and won supporters.

The fact that there are minorities in business that still disregard the virtues of a nationalistic commitment does not hinder the course of the federal government's mechanism, summoning everyone to overcome the difficulties together and slowly defeat the inflationary process. These unreliable minorities, mostly food, clothing, and restaurant service businesses, will pay the price, because they are taking advantage of the majority's efforts.

Despite them, however, the Bank of Mexico presents figures that show the pact's true effectiveness. The figures show a decreasing balance in terms of price increases, obviously proving the bank's affirmation that the inflationary process is being strongly and consistently slowed.

The above comparative points show that the efforts by the workers, farmers, businessmen, and the government are radically defeating the adverse phenomena in our economy. However, the collective fight continues with the tenacious characteristic of those who think of Mexico and work for the nation to achieve everyone's well-being.

The firm struggle waged by a common front has led to what the Bank of Mexico calls "the elimination of part of the inflationary inertia generated by high monthly price increase rates registered in previous years."

Miguel de la Madrid's government has made the unbreakable decision of providing sound, clean economic accounts to the nation this year. Moreover, it wants to offer a solid foundation for Mexico's actual future growth. The enterprise has been gigantic over the years, but it has generated trust and faith in the commitment for Mexico and its advancement. The sectors' pact with the government already has a valuable legacy, which is a newly strengthened Mexican solidarity.

Briefs

Petrochemical Production Figures

At a recent international symposium, Miguel Gonzalez Campos, manager for Technology, Refining, and Petrochemistry of the Pemex Deputy Directorate of Industrial Transformation, reported that in 1987, 13.8 million tons of petrochemicals were produced. He said that current development programs will allow a petroleum processing capacity of 2 million barrels daily and a yearly petrochemical production capacity of 25.14 million tons by the 21st century. [Summary] [*PA081948 Mexico City EL DIA in Spanish 3 Apr 88 p 5*]

El Salvador

President Says No Cabinet Changes Planned

PA081319 San Salvador EL DIARIO DE HOY in Spanish 7 Apr 88 p 3

[Unattributed article]

[Text] President Duarte has stated that there will be no changes in his cabinet, despite the Christian Democratic Party's defeat and the many recommendations made by political observers to replace discredited or incapable figures, who have been blamed for the people's repudiation of his government.

Duarte made statements to the press after accepting the credentials of Abdul Fazl, first Pakistani ambassador to El Salvador. Mr Fazl's headquarters will be in Mexico.

While answering questions for the press, Duarte became upset when one of the newsmen mentioned "the two sides," while apparently refering to the Salvadoran Armed Forces and the guerrilla movement. Duarte immediately interrupted the reporter and told him that "in El Salvador there is only one Army and therefore one single side."

In addition, Duarte reiterated that one must not confuse "freedom of information" with libertinism. Duarte said that if a newsman wishes to enter an area restricted by the Army, he must ask for the corresponding permit, otherwise he will be entering that area "in a clandestine manner."

Concerning the arrival of U.S. troops in Honduras, Duarte said that is part of an agreement between the two countries and that therefore "it would not be a good idea to comment on it."

Reporters asked him about the results of the 20 March elections, but he said he would not answer questions on that before knowing the final result. Duarte said: "Regardless of the result...that is democracy."

Duarte said that next week a resolution will be issued concerning the Zona Rosa case.

Concerning the dialogue with the FMLN, Duarte said: "You always ask me that question and I always answer the same thing." He added that he cannot sit down to negotiate power. He said that "I cannot let weapons force me to surrender the people's will."

Similarly, Duarte announced that today he would meet at his office with U.S. roving Ambassador Morris Busby, who began his 11th Central Amerian tour in Honduras yesterday.

Although Salvadoran Foreign Minister Ricardo Acevedo Peralta described Busby's visit as "a routine and unimportant visit," it was learned that tomorrow Duarte and Busby will discuss the state of the negotiations within the framework of the "Esquipulas II" agreements.

Honduras

President Not 'Ruling Out' State of Emergency

PA081805 Tegucigalpa Voz de Honduras Network in Spanish 1725 GMT 8 Apr 88

[Press release issued by the Press Secretariat of the Presidency in Tegucigalpa on 8 April]

[Text] The Press Secretariat of the Presidency informs the Honduran people that:

President Jose Azcona has called for an urgent cabinet meeting to analyze the national situation following the violent events that took place last night. The cabinet will determine the necesaary course of actions that may be needed to maintain social peace and public order, without ruling out the possibility of decreeing a state of emergency.

Tegucigalpa, 8 April 1988

Constitutional Guarantees Suspended for 15 Days

PA082108 Panama City ACAN in Spanish 2055 GMT 8 Apr 88

[Text] Tegucigalpa, 8 Apr (ACAN-EFE)—Today the Honduran Government suspended constitutional guarantees governing citizens' individual rights.

The suspension, initially decreed for a 15-day period, affects only the municipalities of Tegucigalpa, the capital; its twin city Comayaguela; and San Pedro Sula, on the northern coast of the country.

The government announced that if the reasons for ordering the suspension of constitutional guarantees have ceased before the 15 days are over, the measure will be immediately canceled.

Decree Suspending Rights

PA082219 Tegucigalpa Domestic Service in Spanish 2035 GMT 8 Apr 88

[Press communique No 6 issued by President Jose Azcona and the cabinet in Tegucigalpa on 8 April]

[Text] The constitutional president of the Republic in a council of state states:

Whereas, in the last few hours there have been incidents causing social and public disorder in Tegucigalpa and San Pedro Sula, which could lead to a serious disturbance of the peace, a situation the Honduran Government must prevent by taking the necessary measures that the circumstances demand.

Whereas, it is the president of the Republic's duty to maintain internal peace and security.

Whereas, in case of a serious disturbance of the peace, the president of the Republic, in accordance with the cabinet, can issue a decree suspending the exercise of the rights established in constitutional articles 69, 71, 72, 78, 81, 84, 93, 99, and 103.

Thus, exercising the power established in constitutional article 245, paragraphs 4, 7, and 11, and in accordance with constitutional articles 187 and 188, decrees:

1. The suspension of the exercise of rights established by constitutional articles 69, 71, 78, 81, 84, and 93.

2. The restrictions will only affect the central district municipality, in other words Tegucigalpa and Comayaguela, and San Pedro Sula municipality, Cortes Department.

3. The suspension of rights will last 15 days starting today. If the causes for the issuance of this decree disappear before the end of this period, the restrictions of this decree will be suspended.

4. The sovereign National Congress will be immediately informed of this decree.

Issued at the presidential palace in Tegucigalpa, central district municipality, on 8 April 1988.

[Signed] Jose Azcona

Romualdo Bueso Penalba, Government and Justice Minister

Celeo Arias Moncada, Presidency Minister

Carlos Lopez Contreras, Foreign Affairs Minister

Reginaldo Panting, Economy and Commerce Minister

Jose Efrain Bu Giron, Finance and Public Credit Minister

Wilfredo Sanchez, Defense and Public Security Minister

Adalberto Discua, Work and Social Welfare Minister

Elisa Valle de Martinez Pavetti, Education Minister

Juan Fernando Lopez, Communications and Public Works Minister

Arturo Rendon, Culture and Tourism Minister

Rodrigo Castillo, Natural Resources Minister

Francisco Figueroa, Planning, Coordination, and Budget Minister

Ruben Villeda Bermudez, Health Minister

Carlos Tejada, Executive Director of the National Farming Institution

President Azcona Cancels Trip to Italy

PA082257 Tegucigalpa Domestic Service in Spanish 2230 GMT 8 Apr 88

["Official press communique" issued by the government in Tegucigalpa on 8 April]

[Text] Given the transnational criminal organizations' threats to seize power and destroy the nation, the Press Secretariat of the Presidency of the Republic states the following to the Honduran people:

The president of the Republic, Jose Azcona, has canceled his trip to Italy, scheduled for Sunday, 10 April, to sign cooperation agreements with that friendly nation.

President Azcona will remain firm in his post, defending with determination the country's interests, which are now threatened by irresponsible people in the service of causes that are alien to our nation.

Tegucigalpa, D.C., 8 April 1988

Government Repudiates Events at U.S. Embassy

PA082045 Tegucigalpa Domestic Service in Spanish 1800 GMT 8 Apr 88

["Official Government Press Release" issued in Tegucigalpa on 8 April]

[Text] The Press Secretariat of the Presidency of the Republic hereby informs the Honduran people of the following:

The government of the Republic expresses its most vigorous repudiation of the violent incidents last night which ended the lives of Honduran youths who, manipulated by groups that were paid by international drug traffickers, became involved in those tragic events.

The government has already initiated an exhaustive investigation to identify those responsible for these incidents and will not stop until it brings them to court, where the full force of the law will be brought to bear against them.

The government is gathering reliable evidence showing who is responsible for this criminal manipulation by international drug traffickers.

Tegucigalpa, 8 April 1988.

Peasants Attack U.S. Army Engineers

PA090005 Panama City ACAN Spanish 2320 GMT 8 Apr 88

[Excerpts] Tegucigalpa, 8 Apr (ACAN-EFE)—Today U.S. Army Engineers working in Yoro Department were attacked by peasants in several villages, according to unofficial reports issued today.

A Radio America reporter in Yoro Department said the U.S. military engineers have been constructing a road between Yoro and Jocon since the beginning of this year.

According to [Radio America reporter] Turcios' report, the U.S. soldiers were traveling in their vehicles and construction equipment on the road under construction when the villagers threw stones and other objects at them.

The report states that no soldiers were injured, but the vehicles and equipment were damaged, particularly the windows.

The U.S. soldiers did not respond to this attack and decided to return to a nearby camp in Puente Grande. [passage omitted]

ACAN-EFE tried to confirm Turcios' report with Honduran Armed Forces sources and U.S. military authorities, but none of the authorized spokesmen were available.

The source added that it is possible the Honduran Government will send a special detachment to protect the U.S. Army Engineers or evacuate them in helicopters in the next few hours.

Tourists Evacuated

PA091641 Panama City ACAN in Spanish 1553 GMT 9 Apr 88

[Text] Tegucigalpa, 9 Apr (ACAN-EFE)—Today it was officially reported that the Honduran police evacuated 40 U.S. citizens who were staying in a luxury hotel in Tegucigalpa.

The evacuation took place on Friday afternoon because of the authorities' fears that uncontrollable mobs would attack them.

The place where the U.S. citizens were taken was not disclosed but it was stated that "they are now in a safe place."

Those evacuated are tourists who had arrived to begin a tour of the country in the next few days.

Spokesmen of the U.S. Embassy in Tegucigalpa told reporters that the evacuation had been requested because one of them had been attacked in downtown Tegucigalpa.

The mobs which were active in Tegucigalpa and San Pedro Sula yesterday were attacking any individual who looked like a North American, something that caused problems for white and blond Hondurans.

Some European and U.S. reporters and photographers had to be protected by Honduran journalists who physically grabbed them from the hands of mobs.

The anti-U.S. feeling has already spread to the country's rural area, especially northern Yoro Department, where U.S. military engineers are building roads. Yesterday, they were stoned by civilians.

Police Disperse Demonstrators Outside Congress

PA082238 Panama City ACAN in Spanish 2205 GMT 8 Apr 88

[Excerpt] Tegucigalpa, 8 Apr (ACAN-EFE)—This afternoon police used tear gas to disperse hundreds of demonstrators from in front of the National Congress, 100 meters from the Presidential Palace.

The police action occurred as the demonstrators chanted antigovernment slogans. The suspension of constitutional guarantees was announced at that time.

The entire Tegucigalpa downtown area was occupied by riot police carrying M-16 automatic rifles, tear gas canisters, and rubber hoses. [passage omitted]

Bombs Explode

PA090047 Panama City ACAN in Spanish 2348 GMT 8 Apr 88

[Excerpt] Tegucigalpa, 8 Apr (ACAN-EFE)—Today three acts ofsabotage took place in this capital, causing minor damage to electricity service.

Official sources told ACAN-EFE that a high-powered bomb blew up an electric power transmission tower in the crowded San Miguel sector in the eastern part of Tegucigalpa.

Likewise, unofficial sources reported that another bomb went off near the Honduran Foreign Ministry and the U.S. Embassy and consulate buildings—the three buildings are some 100 meters apart.

The damage caused by the latter explosion—which shook several houses, including some that were 700 meters away from the site of the explosion—was not revealed.

A third bomb has reportedly exploded in an undetermined area of the capital, unofficial sources said.

The government spokesman, who asked not to be identified, revealed over the telephone that military intelligence had detected several Salvadoran guerrillas in Tegucigalpa and that they may possibly be the perpetrators of the dynamite attacks. [passage omitted]

Calm 'Slowly Returning'

PA091854 Hamburg DPA in Spanish 1816 GMT 9 Apr 88

[Text] Tegucigalpa, 9 Apr (DPA)—Calm is slowly returning to Tegucigalpa after 2 days of violence and the establishment of a state of emergency. According to government house, several armed people have been arrested under the state of emergency. For the third consecutive day, the government is keeping the radio stations linked in a national network.

Last night, several explosions were heard despite the fact that the capital was virtually under the military control of troops from the infantry, the armored cavalry, and some Air Force units.

It was reported that the Radio America reporters who were arrested late yesterday afternoon were freed last night and that searches were made in some secondary schools because yesterday's protests, which were broken up with tear gas, originated in them.

As a sign of greater confidence and the return of calm, the government withdrew the troops from the streets and only posted guards in public buildings and on bridges.

Stores also opened this morning even though on Saturday they only open until noon in the "Peatonal Plaza" and the nearby city of Comayaguela.

The government has called the owners of the communications media to a meeting on Monday and it continues to appeal to the people to remain in their homes and thus avoid any crowds. For this reason, athletic activities and public entertainment events were canceled this weekend.

Traffickers Said Arming Opposition Groups

PA092333 Hamburg DPA in Spanish 2259 GMT 9 Apr 88

[Excerpt] Tegucigalpa, 9 Apr (DPA)—This afternoon the Honduran Armed Forces charged that an armed group, financed by drug traffickers, is preparing to face the Honduran troops patrolling under government orders the cities of Tegucigalpa and Comayaguela.

In a communique read on the radio, the military noted that the armed groups—it is not specified whether they are rebels or armed bands organized at the last minute—receive funds from drug traffickers to oppose the measures adopted by the government yesterday afternoon suspending for 15 days constitutional guarantees in the Honduran capital and in San Pedro Sula, the second most important city, 255 km north of Tegucigalpa.

The government decided to lift the order that stations remain in a national network, which was imposed Thursday night, although the stations must abstain from broadcasting newscasts. [passage omitted]

Government Asks Parents To Keep Children Home

PA082212 Tegucigalpa Domestic Service in Spanish 2055 GMT 8 Apr 88

[Communique issued by the Press Secretariat of the Presidency in Tegucigalpa on 8 April]

[Text] The Honduran Government calls on all parents to prevent their children from leaving their classrooms and from participating in mobs promoted by violent groups linked to international drug trafficking. Parents must be clear that these types of actions are not in the country's best interests, but, on the contrary, are meant to bring anarchy and to destroy the morals of the Honduran family.

The government regrets that very young students, even at the elementary school level, are pushed into participating in disorders and are used as instruments to promote evil interests. These young people should remain in their homes and should not be used as bait by immoral groups.

Tegucigalpa, 8 April 1988

Students Warned

PA091438 Tegucigalpa Domestic Service in Spanish 1240 GMT 9 Apr 88

[Unattributed announcement]

[Text] Honduran students: The state of emergency has been implemented to protect and give security to the responsible, trusting, and hard-working population. It has been implemented to maintain national order and peace because left-wing groups, together with drug traffickers, have resolved to destabilize national order by establishing a climate of violence and crime.

Honduran students, do not let yourselves be used to promote the wretched goals of the promoters of violence, terrorism, and drug trafficking.

Student Leaders Criticized

PA091627 Tegucigalpa Domestic Service in Spanish 1519 GMT 9 Apr 88

["Press communique" issued by the Press Secretariat of the Presidency in Tegucigalpa on 8 April]

[Text] The most recent criminal incidents are part of a broad variety of activities that the hordes of violence are using as a protest. The narco-subversion relationship is one such activity.

Regarding this, the attitude of certain student leaders at secondary schools and universities is deplorable. They are plotting with unscrupulous people who, because of their economic interests, are involved in actions to damage property and hurt our youth.

The damage that some intend to do to the noble Honduran people is of unsuspected dimensions. It is certain that most Hondurans are not involved in these deplorable acts. On the contrary, they reject any action that calls for violance because Hondurans characteristically are among those peoples who live in peace and tranquillity.

The government of the Republic and the Armed Forces guarantee their unyielding position in defense of the nation's sacred interests and urge all citizens to close ranks and to not permit the great Honduran family, particularly the youth, to be destroyed by the ambassadors of violence financed by drug trafficking.

Molotov Cocktails at School

PA091652 Tegucigalpa Domestic Service in Spanish 1554 GMT 9 Apr 88

[Press communique issued by the Press Secretariat of the Presidency in Tegucigalpa; date not given]

[Text] The government of the Republic informs the citizens that on Friday, members of the police and National Army found a large quantity of molotov cocktails at the Francisco Morazan Teachers School facilities. These incendiary devices were similar to those hurled at the U.S. Embassy facilities on Thursday to unleash a wave of attacks and actions in order to promote chaos and the destabilization of our democratic system.

In addition, authorities responsible for maintaining public order intercepted mobs who were carrying tires to burn and build barricades. This occurred in various sectors of the city. These mobs were trying to promote clashes and disturbances to endanger the lives of honest people and the citizens' properties.

The government of the Republic warns these criminals that the law will be applied to them rigorously to guarantee tranquillity and public order. The government also recommends honest and responsible citizens ignore these promoters of hatred, destruction, and terror.

Government Warns Against Media 'Agitation'

PA082053 Tegucigalpa Voz de Honduras Network in Spanish 1850 GMT 8 Apr 88

[Press release No 5 issued by the Press Secretariat of the Presidency in Tegucigalpa on 8 April]

[Text] The Press Secretariat of the Presidency of the Republic hereby informs the Honduran people of the following:

The Honduran Telecommunications Enterprise, HONDUTEL, considering the events which took place yesterday, 7 April, informs the radio-electrical media that:

It is within the legal functions of HONDUTEL to regulate, protect, and ensure the proper fulfillment of the social function of radio broadcasting as a public interest activity.

The information media should seek to guide the community in a factual and timely manner, taking into account the people's interests and respecting society's moral principles.

In the past few days, certain radio stations have used telephone lines and mobile units abusively for the live transmission of the opinions of third parties, which may have contributed to the commission of crimes against property and individuals, specifically to the acts of vandalism that took place in Tegucigalpa on the evening of 7 April.

Radio stations have the right to the free dissemination of their thoughts, but, at the same time, they are obliged to avoid the use of the media for provocation, alarm, or agitation.

In view of the aforementioned, radio stations should confine themselves to faithful compliance with the provisions of the law, avoiding the inappropriate use of their systems, particularly when public order and national security are at stake.

If these abuses continue, the appropriate legal measures will be taken.

Tegucigalpa, 8 April 1988

Reporters Arrested

PA090028 Panama City ACAN in Spanish 2342 GMT 8 Apr 88

[Excerpt] Tegucigalpa, 8 Apr (ACAN-EFE)—This afternoon three reporters from one of the main Honduran radio networks were arrested by military intelligence agents, a reporter from the same radio station who witnessed the action told ACAN-EFE.

The arrested men are [Radio Americ] Press Director Armando Arevalo and newsmen David Romero and Javier Gabino Villalobos.

The source added that one of the men, who was armed with an automatic pistol, said that Armed Forces Chief General Humberto Regalado Hernandez wanted to talk with the newsmen.

The newsmen reportedly were taken to Regalado Hernandez' office at the Armed Forces General Garrison, in the southern part of Tegucigalpa.

On Tuesday and Wednesday, the Honduran Telecommunications Enterprise, without prior notice, disconnected Radio America telephones.

On Wednesday, David Romero reported through Radio America that reliable sources had reported that "the Honduran Government had turned Juan Ramon Matta over to the U.S. Government in exchange for not disclosing the names of Armed Forces officers who participated in drug trafficking and who had benefitted from disbursements of loans withheld by the U.S. AID." [passage omitted]

Reporters Released

PA090437 Paris AFP in Spanish 0340 GMT 9 Apr 88

[Excerpts] Tegucigalpa, 8 Apr (AFP)—Tegucigalpa streets were completely deserted after some 3,000 demonstrators were dispersed this afternoon by special riot troops and after the government decreed a state of emergency in Tegucigalpa and San Pedro Sula, the second important city in the country. [passage omitted]

Tanks and riot troops were deployed in downtown Tegucigalpa at the same time that the government had decreed the state of emergency, basing it on the need to maintain "public order and national security."

Dispersing the demonstration, police troops arrested an undetermined number of people.

Tonight, after several hours under arrest, the three Honduran newsmen subject to "interrogation" by the General Investigation Directorate were released. [passage omitted]

Later on, presidential spokesman Lisandro Quezada maintained that FMLN "elements" had participated in last night's disturbances.

According to Quezada, the aforementioned "elements" were "fully identified" by Honduran authorities.

Military troops today turned the Tegucigalpa national stadium into their operations center. Army squads remain deployed in strategic points in Tegucigalpa.

Azcona Summons Media Owners

PA091902 Panama City ACAN in Spanish 1746 GMT 9 Apr 88

[Text] Tegucigalpa, 9 Apr (ACAN-EFE)—Honduran President Jose Azcona Hoyo has summoned media owners for a dialogue next Monday at 1400 (2000 GMT).

The summons was read over the national radio network, which was formed yesterday at 0500 (1100 GMT) and is the only means authorized to transmit official information on the country's current situation.

Honduras is currently under a state of emergency, which was decreed on Friday for the cities of Tegucigalpa and San Pedro Sula. It places the cities under the state of siege law for 15 days.

According to the government, the media are partly responsible for the wave of violence unleashed on Thursday as part of a subversive plan financed by international drug traffickers.

The media has rejected the accusation and the press association protested the government measures as well as yesterday's arrest of three Radio America journalists for more than 1 hour.

The violent situation broke out when the police handed over suspected Honduran drug trafficker Juan Ramon Matta to the United States last Tuesday.

The protesting groups claim that Matta's constitutional and human rights were violated.

Arrests Protested

PA100302 Panama City ACAN in Spanish 1707 GMT 9 Apr 88

[Text] Tegucigalpa, 9 Apr (ACAN-EFE)—Today the Honduran Newsmen's Association [CPH] protested the arrest on Friday of three of its members who work for Radio America and condemned the violent actions unleashed Thursday at the U.S. Consulate building.

Newsmen Armando Arevale, Rafael Zavala, and David Romero were arrested inside the radio station by military intelligence agents, who took them to the Armed Forces General Headquarters.

It was later reported that General Humberto Regalado Hernandez, head of the Armed Forces, called the newsmen to talk to them and released them 1 hour later.

The association also condemned the attitude of the Honduran Government, which blamed some communications media for the serious disturbances that occurred in Tegucigalpa between Tuesday and Friday.

The CPH said that Honduran authorities committed a "violation of the Constitution of the Republic" when, after they arrested alleged mafia kingpin Juan Ramon Matta on Tuesday, they released him to U.S. authorities.

The Honduran Constitution stipulates that no Honduran can be extradited or released to another country.

"We reiterate our firm opposition to drug trafficking in the country and related violence, as well as any violation of the safety and rights of the people," stated one of the CPH manifestos. Those signing the manifesto expressed their conviction that freedom of expression must remain intact in the country and warned that they will reject any measure seeking to repress it based on the pretext that

excesses have been committed in the fulfillment of journalistic responsibilities. The CPH asked its members to exercise prudence and professional ethics in reporting events related to the incidents that have occurred, given that the destiny of Honduras is at stake.

Government Pledges To Maintain Peace, Order

PA081804 Tegucigalpa Voz de Honduras Network in Spanish 1720 GMT 8 Apr 88

[Press release issued by the Press Secretariat of the Presidency in Tegucigalpa on 8 April]

[Text] The Press Secretariat of the Presidency of the Republic informs the Honduran people of the following:

President Jose Azcona is being continuously briefed by General Humberto Regalado Hernandez, commander in chief of the Armed Forces, on the current events and the actions that groups financed with money from drug trafficking are attempting to carry out to the country's detriment.

The Government of the Republic warns, in the most emphatic terms possible, that it has made the firm decision to preserve public order and the tranquillity of the nation, whatever the consequences. The government will safeguard, at all costs, the property and lives of local and foreign individuals, to avoid a repetition of the bloody, vandalistic activities that were carried out last night by groups seeking to promote anarchy in the country.

The government repeats its call for calm and reiterates to the great majority of the nation who have been expressing their support its determination to maintain peace in the Republic.

Urges Terrorism Rejection

PA082147 Tegucigalpa Domestic Service in Spanish 2050 GMT 8 Apr 88

[Press communique issued by the Honduran Government in Tegucigalpa on 8 April]

[Text] The Honduran Government makes a call to all honest citizens to reject hired mobs, international subversive agents, and terrorism, which have brought dirty money to our fatherland to create chaos and anarchy through the carrying out of violent and criminal acts that endanger lives, property, tranquillity, and political stability. You must trust the Honduran Government and the Armed Forces and must lend them your firm support, because in Honduras international crime will not be tolerated.

Tegucigalpa, 8 April 1988

Denounces 'Anarchic' Actions

PA090423 Tegucigalpa Domestic Service in Spanish 0000 GMT 9 Apr 88

["Official press communique" issued by the Press Secretariat of the Presidency in Tegucigalpa on 8 April]

[Text] The actions carried out by anarchic groups are not intended to defend constitutional order. On the contrary, they are intended to destabilize the country's institutions, thus attacking peace, order, and our society's moral values. Those actions disregard the terrible threat of the influence of drug trafficking to the Honduran family and especially to our youths.

Those groups, led by clearly identified forces, have gone to the extreme of threatening high-ranking government and Army officials with death. They have conducted actions that disrupted public order and resulted in painful consequences, which the government of the Republic is the first to regret.

In fulfilling its duty to maintain peace and safeguard the country's institutions, the Honduran Government used its legitimate legal resources to preserve order. The government suspended some constitutional guarantees until the affected cities return to normal.

Thus, the peaceful Honduran people and citizens can be at ease. They can be sure that the orders decreed by the government guarantee their defense and safety and defend citizens' rights, which are now threatened by groups that are highly dangerous for the future of the Honduran family.

The government action protects the interests of our social, political, labor, peasant, and business organizations by detecting and isolating those who are trying to take advantage of the current situation in order to destabilize our institutions.

The Honduran people must be aware of the great danger that drug trafficking represents for the country's morality. It buys consciences and tries to [words indistinct] the country's institutions. You must not let them deter you from your main defensive objective: Preserving our families' present and future by saving them from the moral degradation of drug trafficking.

The Honduran Government is willing to defend the rights of the Honduran masses, who are dedicated to constructive work and to protecting their right to live in peace, free from a serious scourge: Drug trafficking.

The government is closely following the actions of the master minds and real instigators of the incidents that took place this week to hold them fully accountable to the law.

We call on the Honduran people to remain calm and to cooperate with the legitimate authorities to maintain the peace and institutions to which we are all entitled.

[Signed] Press Directorate of the Honduran Presidency

Government on Terrorist Plans, FMLN Presence

PA091547 Tegucigalpa Domestic Service in Spanish 1437 GMT 9 Apr 88

["Official government communique"; date not given]

[Text] Official communique:

The government reports to Hondurans that our security and intelligence organizations have discovered a vast plan of terrorist activity to be carried out in our country by criminal groups at the service of foreign interests. These groups want to sow chaos, disorder, and tension within our country's population.

We have also discovered the dangerous presence and participation of Salvadoran FMLN members in these activities. The FMLN operates in the neighboring country of El Salvador and wants to extend its tentacles to our country with the purpose of destabilizing Honduras.

We call on all honest and trusting citizens to be alert and report any suspicious criminal action or movement to the Public Security Force's emergency telephone in Tegucigalpa or San Pedro Sula: 199.

Remember, the Public Security Force of the Honduran Armed Forces has the objective of protecting your life, your property, and your interests. Give them your support.

Warns of Infiltration

PA091532 Tegucigalpa Domestic Service in Spanish 1454 GMT 9 Apr 88

["Press communique" of the Press Secretariat of the Presidency; date not given]

[Text] The government of the Republic warns all sectors of the nation that the security and intelligence agencies of the Armed Forces have found clear indications about the [words indistinct] of several leftist organizations of the country in alliance with international communist agencies that are allocating huge sums of money to finance terrorist and destabilization actions in our country. This work to achieve disunity and to destroy the values and principles of our democratic way of life has been subtly and gradually been carried out with a slander campaign to nationally and internationally destroy the image and prestige of the government of the Republic and of the Armed Forces.

We call on all sectors of the [words indistinct] and its representative forces, the peasants, private enterprise, and the student and professional sectors so that together, government, people, and Armed Forces, we will firmly close the country's doors to Marxist-Leninist penetration, the doctrine and principles of which promote slavery, misery, chaos, terror, and disorder.

[Signed] Press Secretariat of the Presidency of the Republic

Party Urges Azcona Trial for Deaths, Matta

PA092241 Hamburg DPA in Spanish 0422 GMT 9 Apr 88

[Text] Managua, 8 Apr (DPA)—Today the Revolutionary Party of Central American Workers of Honduras, PRTC-H, demanded that Honduran President Jose Azcona Hoyo and Armed Forces Commander General Humberto Regalado Hernandez be put on trial for the deaths of five students and the extradition of Ramon Matta Ballesteros, an alleged drug trafficker.

A PRTC-H communique made available to DPA's Managua office notes that Matta was "kidnapped by special troops on orders from the U.S. Government," was then taken from Tegucigalpa to the Dominican Republic, and from there brought to the United States.

The communique notes that Matta, who has been accused by the United States of drug trafficking, was "facing legal procedures" in Honduras. His kidnapping "as an alternative to his extradition" represents an action that "violates the Constitution" of Honduras. The PRTC-H believes that this illegal action provoked the protests in "defense of national sovereignty and dignity."

"The people rose up in anger and were attacked by Marines who fired at them with rifles killing five [as received] patriots: Betty Yolany Molina, Freddy Alberto Pineda, Armando Erazo, and Henry Napoleon Garcia Menjivdar," the communique states.

Nicaragua

Government-Contra Cease-Fire Talks Suspended

Government Proposal

PA090040 Managua Domestic Service in Spanish 2326 GMT 8 Apr 88

[Statement by Vice Defense Minister Major General Joaquin Cuadra in Sapoa—live]

[Text] Good evening. Today we concluded the meetings that we had been holding with the special contra delegation on the location, size, and procedures for the zones where, according to the Sapoa agreements, the irregular forces will be located between 1-15 April.

You and our people have been kept up to date on the meetings. We first worked on the location and size of the zones, and important progress was achieved. Second, yesterday evening the contra delegation presented a

proposal on procedures to the Nicaraguan Government. By the way, that proposal was publicized. That violated the agreement that we had reached with them during the meeting; we had agreed not to publicize sensitive and important matters that were being discussed during the meeting until the issue was settled.

The Nicaraguan Government's special delegation worked all night reviewing the contras' proposal. This morning at 1030—one-half hour after the meeting was scheduled to begin because they, as usual, were late—we presented a proposal taking into account the basic elements that concerned the irregular forces. The elements are: first, the irregular forces' security once inside the zones; second, the supplies sent to them once inside the zones; and, third, the important position included in the Nicaraguan Government's proposal; that is, an absolute respect for our country's welfare and sovereignty.

Taking into consideration these three important elements, the delegation will now publicize the proposal presented to the Resistance's delegation. We had unilaterally agreed not to... [changes thought—FBIS] This morning, when we presented our proposal to them, we told them—and this can be confirmed by the witnesses—that the government had decided not to publicize its proposal even though they had broken their pledge yesterday when they publicized their proposal. We want to prove the government's maturity and interest in concluding the work being carried out here, so we had unilaterally decided not to publicize our proposal. Nevertheless, upon concluding today's meeting, we will publicize the proposal. I will now read it.

Agreement Between the Special Commission of the Constitutional Government of the Republic of Nicaragua and the Special Commission of the Nicaraguan Resistance [RN]:

This agreement between the Nicaraguan constitutional government and the Nicaraguan Resistance deals with the location, size, and procedures for the areas where the rebel forces will be located in accordance with previously agreed upon points of the Sapoa agreement signed on 23 March of this year.

Chapter 1: General Measures.

1. This agreement will cover cease-fire areas delimited in the attached map, which is an integral part of this document.

2. The constitutional government of the Republic of Nicaragua, exercising its legal duties and in accordance with the terms of the [Sapoa] agreement, will fully guarantee the freedom, security, and physical and moral safety of the Resistance forces that are on our soil until we reach a definitive cease-fire leading to the integration into normal life of those people who belong to those forces.

3. The current agreement will be in force for 60 days beginning on 1 April. At the end of this period, a definitive end to the fighting will be negotiated. The effective implementation of this will take place together with other commitments specified in Esquipulas II to end the war.

Chapter 2: Location and Security of the Resistance's Rebel Forces.

4. During the first 15 days of the agreed upon period, and once the Nicaraguan constitutional government troops are evacuated from the specified areas, the Nicaraguan Resistance's rebel forces will be located in the aforementioned areas. The Nicaraguan Government and the Resistance will suspend offensive operations until a definitive cease-fire is reached.

5. Military personnel mentioned in point 4, as well as their vehicles, vessels, and aircraft, will abstain from entering the areas during the agreed upon period except in cases previously and expressly agreed upon by joint commissions or during emergencies.

6. The rebel Resistance forces will enter the agreed upon cease-fire areas with all their weapons, ammunition, and communications equipment, and will keep all their military equipment during the agreed upon period.

7. The EPS and rebel Resistance forces will not qualitatively or quantitatively modify their military position within or near the areas. To ensure this, the Verification Commission must as soon as possible inventory the Nicaraguan Government and Resistance forces in and around the areas.

8. To help guarantee security and implementation of the cease-fire, the joint commissions will make concerted efforts to neutralize mines or other explosive devices in and around the areas.

9. The basic existing services supplied by the Nicaraguan Government in the areas agreed upon will continue to be normally supplied.

10. To prevent incidents in the established areas, the Nicaraguan Government, during the agreed upon period, will abstain from placing artillery near the areas.

Chapter 3: Guarantees for the Civilian Population.

11. Those residents in regions housing Resistance forces who have been involved in rebel activities will not be tried, punished, or persecuted for political-military activities that they could have been involved in. The Verification Commission will ensure strict compliance with this point.

12. Once the definitive cease-fire is finalized in each area, those who were displaced by the war can—if they so freely decide—return to their places of origin within those areas with all guarantees.

13. The Nicaraguan Government will guarantee access to the areas agreed upon to the relatives of rebel forces members who are within such areas; medical and paramedical personnel; businessmen; representatives of neutral, humanitarian, cultural, and religious organizations; and representatives of the national and international press will also be given access. With that in mind, the joint commissions will define those matters.

14. Nicaraguan citizens residing in cease-fire areas will continue to enjoy the rights granted by the Constitution and the Republic's laws to its citizens. With that in mind, the government will facilitate supplies and freedom of movement, employment, and commerce to the civilians who are in the area; it will also faciliate their communications and transportation to guarantee their economy. The life, property, and activities of civilians, as well as the state's property in the areas, will in no way be affected. In each area the Nicaraguan Government will establish mechanisms and banks to pay for goods and services.

Chapter 4: Food and Supplies for the Unconventional Resistance Forces

15. To ensure food and basic supplies for the unconventional forces, neutral organizations accepted by the Nicaraguan Government and the RN will be responsible for transporting and delivering such supplies through any means and according to Verification Commission controls. In case the Nicaraguan Government fails to agree on the designation of these neutral organizations, the Verification Commission will have the final word.

16. The controls that the Verification Commission will establish on supplies will be in force

a) at departure points;

b) enroute; and

c) at delivery points.

17. The acquisition and distribution of supplies to the unconventional forces and the manner in which these supplies are to be used will be the RN's responsibility once these supplies have reached their destination.

18. The neutral organizations chosen will submit to the Nicaraguan Government, from time to time and well in advance, the proper surface, air, sea, or other type of transportation schedule; the frequency, type, and identification of the means of transportation; the names of the checkpoints enroute; and the date and time the supplies are delivered. As far as Nicaraguan Government authorities are concerned, they will guarantee the expeditious flow of supplies.

Chapter 5: Communications and Movement Provisions

19. The movement of and communication among RN leaders and members in the various zones will take place by agreement of the joint commissions. Once these commissions have given their approval, the movement and communication will take place with the support of government authorities under the Verification Commission's protection.

20. The transmission of messages among the unconventional forces within an area or from one zone to another will not be interfered with by the Nicaraguan Government.

Chapter 6: Verification Commission and Settling of Disagreements

21. Joint commissions will be formed in each zone. Each commission will be comprised of not more than five Nicaraguan Government and RN members. The representatives of the Verification Commission established by paragraph 9 of the Sapoa agreement will serve as witnesses of the joint commissions' activities. The joint commissions will be in charge of both executing the accords until a definitive cease-fire to end the war is reached and resolving problems linked to these accords which might come up in each zone.

22. The Verification Commission will certify compliance with the points contained in this agreement. The constitutional government of the Republic of Nicaragua and the RN will do everything possible so the verification commission can carry out its verification duties with complete freedom. Should any disagreement occur, the Verification Commission will have final word on the interpretation of this accord or the cases not resolved by the joint commissions.

23. The Nicaraguan Government, in accordance with the terms of this agreement, hereby establishes well-known reference sites in each zone, where the joint commissions and the Verification Commission representatives will operate until a final cease-fire shall have been reached.

24. For the proper fulfillment of these accords, the Nicaraguan Government and the RN will request that the Verification Commission publicize its bylaws and procedures, if possible prior to 15 April 1988.

25. The unconventional forces which on 15 April are found out of the agreed upon cease-fire zone because they have not obeyed this accord and the Sapoa agreement will not enjoy the benefits and guarantees set forth in these accords.

This accord has been signed by the undersigned [words indistinct].

This is the proposal that the Nicaraguan Government presented to the contra delegation this morning. The presentation of the proposal was accompanied by an extensive explanation, which lasted for more than 2 hours, about the contents and extent of the proposal.

Cuadra on Talks

PA090205 Managua Domestic Service in Spanish 2343 GMT 8 Apr 88

[News conference held by Vice Defense Minister Major General Joaquin Cuadra Lacayo with local and foreign newsmen in Sapoa—live]

[Text] [Cuadra] The proposal was presented along with an ample explanation, which lasted over 2 hours. We explained the content and scope of the proposal. The contra delegation requested a recess until 1600. We agreed to that, of course. At 1600 they came back to resume the meeting. They stated that initially they had studied the Nicaraguan Government proposal and that they had some differences concerning the proposal presented the day before. They said they needed more time to discuss and analyze the document and to make the pertinent consultations, and that, therefore, they wanted more time.

The government delegation was willing to give them more time to continue analyzing the proposal. However, because they lacked adequate power to decide on the proposal—although they could have analyzed it this afternoon, tonight, or tomorrow during working sessions we were willing to agree to—the Nicaraguan Resistance [RN] delegation decided to suspend the meeting and to propose another meeting.

Although in the letter signed by Adolfo Calero, Pedro Joaquin Chamorro, and Azucena Ferrey sent to General Humberto Ortega yesterday they clearly state that the RN special commission attending the Sapoa talks had express power to perform its duty, the truth is that the contra delegation behaved in a completely different manner.

In light of this situation, it was determined that this meeting, at which we were supposed to discuss the location, size, and modus operandi of the zones, had not reached any definite conclusions or agreements because the contra delegation did not have enough authority and because it refused to stay here working for as long as it was necessary. It was decided that the topics the special commission could not resolve here should be resolved at a high-level meeting. Therefore, it was decided that these topics should be discussed at the meeting that, in principle, is scheduled for 15 April in Managua.

In other words, in view of the attitude of the contra special delegation, which refused to continue working and needed to consult with God knows whom about the Nicaraguan proposal, a decision was made to suspend the meeting and to transfer the topics we were discussing and trying to agree on—and for which the Sapoa agreements appointed us—to the high-level meeting that will convene in the next few days.

I want to state very clearly that the Nicaraguan Government's position was always noted by the witnesses, who, regardless of any interpretation the contra delegation could give today about what happened at the meeting, took note of the Nicaraguan Government's mature position and willingness to work. They noted the mature and responsible way in which we worked on the proposal presented by the Nicaraguan Government. Our proposal responded to the proposal presented by the contra delegation on the afternoon of Wednesday, 6 April.

We put all our time and dedication into working all night to present our proposal this afternoon. They declared themselves incompetent and incapable of presenting... [Cuadra changes thought] within a reasonable length of time, which could have been today, tonight, or tomorrow, to reach an agreement with us and to fulfill the mission that the special commissions had. Therefore, the topics and the points linked to the location, size, and modus operandi of the zones will be discussed at the Managua meeting.

[Question indistinct]

[Cuadra] The Nicaraguan Government delegation's attitude toward their leaders can be confirmed with the witnesses, who can say whether or not our attitude was stubborn. The main problem, which obviously precluded an agreement, is that the counterrevolution—this is stated in their proposal, which you all know about—insists on receiving military supplies, selecting the company that will transport its supplies, and replacing its arsenals. In other words, the counterrevolution (?stubbornly) insists that it has to continue arming itself; this is stated in their proposal.

The Nicaraguan Government's proposal is essentially based on the Sapoa agreements and the Esquipulas agreements, and takes into consideration the [contras'] main concerns—namely, the security of their forces and their supplies. You will be able to analyze the proposal presented by the Nicaraguan Government and ascertain that these points are also included.

However, they are never fully satisfied, and the Nicaraguan Government will never accept—under any circumstances—that they receive any type of military aid. That is basically why the contras decided to strike camp, claiming that the topics should be discussed in Managua. They withdrew for consultations—I do not know with whom—because they could not reach an agreement on the Nicaraguan proposal.

[Reporter] They want to continue receiving weapons, but this violates the Sapoa agreements, which were signed at the highest level. In this case, do you think the counter-revolutionary delegation's attitude was deliberate in hopes that the talks would fail?

[Cuadra] Well, any type of military supply undoubtedly violates the Sapoa agreements and the Esquipulas agreements. That would also violate U.S. laws, which they worry so much about. The main problem, and I want to insist on this, is that they want to keep on getting more aid, ammunition, and military supplies. They want to keep on replenishing their arsenals and ammunition. This can be ascertained in their proposal. That is the main issue that causes the conflict between the counter-revolution's proposal and the Nicaraguan Government's proposal, which is based on the Sapoa and Esquipulas agreements.

[Reporter] Major General, you proposed that the high-level delegations meet in Managua on 15 April to discuss what the two delegations could not settle for various reasons. Now, that is a unilateral decision; the contras have not said that they will accept the proposal. Right? Therefore, the high-level meeting proposed for 15 April could be delayed even more. Right?

[Cuadra] The contras sent a letter to Gen Humberto Ortega saying that they agree to participate in the 15 April meeting.

[Reporter] That must be prior to all this.

[Cuadra] Yes, prior to all this [words indistinct] 15 April.

[Reporter] Could this not substantially modify the schedule?

[Cuadra] No. When we concluded today's meeting, it was agreed that the topic would be handled by the higher-level delegation given that the special delegations could not settle the problems they had discussed here.

[Reporter] Did they say yes? Did they accept this?

[Cuadra] They did not reject, this and the witnesses can attest to that. Therefore, the topics must be discussed later on.

[Reporter] [Words indistinct] calendar, but they must be at the specified zones on 15 April. What happens now? What about the informal cease-fire decreed on 21 March?

[Cuadra] Well, undoubtedly the schedule has been delayed because the contras are not complying with the agreements. The meeting slated for the 6th has been postponed; the first meeting we were to hold here at Sapoa was also delayed. They have all been delayed, delayed, delayed [repeats himself]. Undoubtedly, according to the schedule of the Sapoa agreements, the irregular forces were slated to enter these areas between the 1st and the 15th. The establishment of these areas and the modus operandi were supposed to have been worked out in advance. Of course, if no agreement was reached on these points, they were not to have entered the areas. Suspending the activities and military operations would be similar; there is no reason why this should change. That has not changed at all. What is being done is to extend the schedule and [words indistinct] in view of the problems that you have seen.

[Question indistinct]

[Cuadra] Well, in addition they must [words indistinct] and all of these aspects that were discussed will have to be brought up again for discussion.

[Question indistinct]

[Cuadra] The atmosphere at the end of today's meeting was serious; it was not a pleasant meeting, but it was not an abrupt or rude meeting, either. It was just a serious meeting.

[Reporter] Concerning point No 7 of the proposal to the effect that the Resistance will not change the quantity or quality of its military [words indistinct] because there is a request from the contras to the effect that the government [word indistinct].

[Cuadra] The contras' proposal is delaying the Sapoa agreements and the Esquipulas agreements regarding armaments. This is an important element of the attempted violations of the sovereign right of the constitutional government of the Republic of Nicaragua. Under no circumstances can they ask the government to sit down and speak on an equal basis and to ask the government to abstain [8-second break in reception].

The Nicaraguan Government's proposal was made to establish that they [the contras] provide verifiable guarantees for security in the areas where their forces will be located so that these zones and adjacent areas would be maintained in a stable environment. Nobody would try to take advantage of that situation. Therefore, the verification commission would have to take note of how many Army troops would be in the surrounding area, that these would not be increased, and note would be taken of how many many irregular forces would be in the area. [Words indistinct] in this area, it [the verification commission] would be able to verify the approximate area [words indistinct] the security [words indistinct] with a very reasonable proposal by the Nicaraguan Government.

[Reporter] Has the Nicaraguan Government sent [words indistinct]?

[Cuadra] Well, the Sapoa and Esquipulas II agreements [words indistinct] mention anything like this.

[Reporter, in English] Are the contras coming to Managua on the 15th?

[Cuadra, in English] We hope so.

[Reporter, in English] How about in May?

[Cuadra] [Words indistinct] They were committed to come.

[Reporter, in English] Do you think they will come?

[Cuadra, in English] They are obliged to come.

[Reporter, in English] They said they were coming? [passage indistinct]

[Cuadra] They are violating the Sapoa agreements with the proposal they are now making. The proposal they are making has nothing to do with the letter or the spirit of the Sapoa agreements.

[Question indistinct]

[Cuadra] No, I believe this is not an impasse that could break future talks. They probably noticed a change in tone because they thought that the Nicaraguan Government was again going to accept one meeting after another. In this meeting, we did not agree to continue discussions other than in the Managua meeting of the points dealing with the modus operandi, [words indistinct], and size; we are serious about this [words indistinct].

RN Delegate Comments

PA090050 Managua Domestic Service in Spanish 2250 GMT 8 Apr 88

[News conference held by RN delegation member Roberto Rosas with unidentified reporters at Sapoa—recorded]

[Text] [Rosas] The government has said we would meet again, but their view was very different than ours. Further discussion is necessary to find a solution. Tuesday morning General Joaquin Cuadra [words indistinct] said no more meetings would be held and that everything will be considered at the high-level meeting to be held in Managua.

[Question indistinct]

[Rosas] Not only that, but we are dealing with proposals that contradict each other. We must find a compromise. We think we need some more time and that we could return here on Tuesday morning. Yet Gen Cuadra said the meeting has been suspended altogether, that there was nothing else to do at Sapoa, and that the next meeting would be held in Managua.

[Question indistinct]

[Rosas] We have accepted 15 April as the date for the meeting.

[Question indistinct]

[Rosas] No agreement has yet been reached on procedures, but we agreed on the areas designated for the contras to be stationed.

RN on Disagreements

PA101255 Paris AFP in Spanish 1949 GMT 9 Apr 88

[Text] San Jose, 9 Apr (AFP)—The supplying of military equipment to the rebels who have settled in the cease-fire zones proposed by the Nicaraguan Resistance was one of the factors that led to the failure of the Sapoa talks held yesterday between the contras and the Sandinists, rebel leaders said today.

Roberto Urroz, member of the negotiating commission, accused the Sandinist delegation of being "intransigent." The Nicaraguan Government delegation is headed by Major General Joaquin Cuadra, who "violently" suspended the meeting and refused to accept the continuation of the technical meeting next Tuesday as the RN had proposed.

The talks, which had resulted in the establishment of seven enclaves for the settlement of the rebels, will continue in Managua on 15 April, when high-level representative of the Managua government and the RN meet.

Urroz said in a news conference held in this capital today that the main disagreements in the talks came when it was time to select the organization that would supply the rebels with the aid approved by the U.S. Congress last week.

The leader said that according to the Sapoa agreements signed last 23 March, "the RN is the only one with the right to select the neutral organization to distribute the aid."

Even though he did not say it was final, Urroz hinted that the RN would not accept the International Red Cross as the aid distributor and would instead call upon a "business firm," but he refused to mention any possible name.

Urroz indicated another point of disagreement was the contras' proposal "to provide a minimum amount of weapons and ammunitions to the rebels settled in the enclaves to preserve the troops' security."

The leader said the rebels would "go into the enclaves with small amounts of ammunition"; therefore, "the supply of military equipment should be guaranteed for their personal safety."

Urroz also talked about the Sandinist's refusal to allocate $1.5 million sent by the United States to purchase communications equipment for the rebels.

Another point of disagreement was the RN's refusal to allow "militarized cooperatives to operate in the enclave zones," Urroz said.

Finally, Urroz said there was disagreement over who should deactivate the mines located in the enclave zones. The RN says the Sandinists should do it and the Sandinists say both sides should.

Urroz said that if the Sandinist government maintains its position not to renew the technical meetings "regarding the cease-fire modus operandi," the talks will take place at the "high-level" meeting in Managua on 15 April.

Obando Doubts 15 Apr FSLN-Contra Meeting

PA102304 Panama City ACAN in Spanish 2150 GMT 10 Apr 88

[Text] Managua, 10 Apr (ACAN-EFE)—Today Cardinal Miguel Obando y Bravo voiced doubts about the government-contra meeting in Managua on 15 April to discuss a definitive cease-fire.

Obando y Bravo expressed this concern during his Sunday homily. He said he regarded the scheduled meeting between the rebels and the Sandinists as "uncertain."

The prelate, who, with OAS Secretary General Joao Baena Soares, serves as witness to the cease-fire negotiations, said the two positions are irreconcilable.

He added: While the contras demand from the government the right to meet unconditionally with political, business, and religious leaders and diplomats, the government holds the opposite position.

Obando y Bravo said during his homily that the Sandinists would permit the rebels to act as a political entity only if they accept the amnesty offered them by the government.

The Sandinists have said that the contras can join the country's political life if they lay down their weapons.

On Friday, after the government and contras disagreed on the procedures to be followed, they agreed to resume talks on 15 April.

Ortega on Factors Leading to Sapoa Accord

PA081548 Managua Radio Sandino in Spanish 1251 GMT 8 Apr 88

[Speech by President Daniel Ortega after presenting Mozambican President Joaquim Chissano with the Augusto C. Sandino Order at Managua's Rigoberto Lopez Perez Institute on 7 April—recorded]

[Text] The Nicaraguan Government decided to talk directly with the leaders of the counterrevolutionaries, although it had said it would not talk or negotiate with them. We did this because we found that favorable conditions existed at the time for reaching agreements with them, despite the U.S. Government's wishes. Such talks or negotiations were not possible when the leadership of the counterrevolution was subject to Reagan's policy.

Why the change by the contra leadership? Why did they decide to sign this truce to work toward peace if they have been a monstrous creation of the U.S. Government, the instrument used to sow terror and death among the Nicaraguan people? Why this change of attitude among the members of the contra leadership?

We noticed and understood this change of attitude. We saw this change of attitude, and that is why we decided to talk with them and reach an agreement. The change occurred simply because the counterrevolution, after being used as an instrument by the Reagan administration for more than 7 years, realized it had been defeated by the Nicaraguan people. [applause]

It is clear that after many attempts in these 7 years to occupy a part of our territory, to take over small towns of 1,000 or 500 inhabitants, or to take over cooperatives defended by 35 people, the contras never managed to occupy a single inch of our land. They attacked our cooperatives, and whenever they did so they came up against the peasants' response and the fighting spirit. They committed atrocious crimes. The peasants did not succumb, only because of our people's capacity for resistance and the fighting ability of our EPS.

There are other factors that led the counterrevolutionaries to act with some independence from the U.S. Government. The most important of these factors were the Nicaraguan people's capacity for resistance, the Nicaraguan people's combat ability, and the heroism of the fighters in the Patriotic Military Service and of the peasants in the war zone. Those have been determining factors.

In addition, there were other factors, such as the offensive launched by our army against the mercenary forces' main camps, which forced the Yankee government to unmask itself and send its forces to Honduran territory to save the counterrevolutionaries from a total defeat by the EPS. [shouts of "Long live the revolution" and other slogans]

The (?Yankee) operation was an operation in which [words indistinct] German Pomares Ordonez, the heroic Sandinist fighter [applause] who was never stopped by the Somoza regime's bullets. [applause]

Another important factor is that Ronald Reagan, the counterrevolution's godfather, only has a few more months in office. Mr Reagan will have to step down from office in January, and there will be a new administration in the United States. The new administration's policy toward Nicaragua will probably remain unchanged. Regardless of the (?party in power), U.S. policy toward Nicaragua has always been wrong. We therefore cannot lower our guard.

These were some of the most important factors that led to the signing of the Sapoa agreements in an attempt to achieve peace. In the next 60 days we must establish areas [words indistinct]. These people will be given medicine, food, and clothing [words indistinct] by laying down their weapons. This is the peace plan's goal.

Ortega Sees Off Mozambican President 8 April

PA081859 Managua Domestic Service in Spanish 1820 GMT 8 Apr 88

[Text] This morning Mozambican President Joaquim Chissano left Nicaragua after an official visit which formed part of a tour of several Latin American countries. Nicaraguan President Daniel Ortega Saavedra bade farewell to the African president at the Sandino airport.

Last night President Chissano was presented with the Augusto Cesar Sandino Order in a special ceremony in Managua. Chissano reiterated the support and solidarity for the Nicaraguan revolution that had previously been expressed by the late Mozambican President Moises Samora Machel, founder of the Mozambique Liberation Front.

Panama

Papal Nuncio Offers To Mediate Conflict

PA081657 Hamburg DPA in Spanish 1618 GMT 8 Apr 88

[Text] Panama City, 8 Apr (DPA)—Apostolic Nuncio Jose Sebastian Laboa, the pope's representative in Panama, today offered to act as a mediator to seek a solution to the Panamanian crisis, which has grown worse during the last few weeks.

In view of the failure of Archbishop Marcos Gregorio McGrath's efforts to establish a dialogue, the nuncio has told the government and the opposition that "if I can be useful, I will begin the mediation right away."

There has been no reaction from the opposition or the government so far.

Noriega Letter to McGrath on Dialogue

PA091931 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Apr 88 p 1

["Text" of letter from General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, to Msgr Marcos Gregorio McGrath, archbishop of Panama; dated 8 April]

[Text] Panama City, 8 April 1988

The Most Reverend Msgr Marcos Gregorio McGrath, CSC [Congregation of the Holy Cross]

Archbishop of Panama and President of the Panamanian Episcopal Conference

Your Excellency:

I will refer to the 7 April 1988 communique from the Metropolitan Curia that I received with your personal card.

With no intention of entering into a controversy, I would like to remind you that in the framework of their new patriotic doctrine for development, the Panama Defense Forces [FDP] have always been disposed to discuss any subject involving the evolution and security of the Panamanian state.

We have also informed you that at the National Security Council it was decided that the executive branch, represented by the president of the Republic, should be the government's spokesman in the discussions of the details concerning the dialogue and its coordination.

My dear Monsignor and friend, it looks like hierarchs and political leaders are always inclined to question the Defense Forces for continually appearing in front or first, but whenever the Defense Forces try to yield this position to the civilian sector, they are still criticized, but on these occasions they are criticized for not speaking up first, for not acting as guarantor, or for not countersigning public measures, which is the case you mention in your communique.

I take advantage of this opportunity to express to Your Excellency my wishes for profound peace and personal well-being.

Everything for the fatherland.

General Manuel Antonio Noriega

Commander in Chief, FDP

Molirena Withdraws From National Dialogue
PA090325 Panama City Telemetro Television in Spanish 2300 GMT 8 Apr 88

[Text] The mechanisms that the opposition parties and Civic Crusade called for were not established. Therefore, Molirena [National Liberal Republican Movement] decided to suspend its participation in the national dialogue, which the Catholic Church mediated. This was stated by Guillermo Ford of Molirena.

[Begin recording] [Ford] The party decided to suspend its participation in the dialogue until an official reply, as mentioned by the Catholic Church, is received from General Noriega.

[Reporter] Is there a possibility that Molirena and the other parties will again negotiate some sort of solution to the crisis?

[Ford] Our party believes that the health of the homeland is the primary consideration, and we are prepared to take part in a dialogue, but we are not prepared to accept impositions of any kind. We have clearly and publicly stated what basic points must be achieved for the dialogue to take place. One does not fight for democracy, justice, and freedom in foreign lands, but within the country. In this context Molirena appeals to the Panamanian people to defend these basic principles in Panama, without a mass exodus of the brains and people who have contributed to the homeland's economic and social development. [end recording]

Arnulfo Arias Returning 'In Next Few Days'
PA092144 Panama City LA ESTRELLA DE PANAMA in Spanish 9 Apr 88 p 1

[Text] Dr Arnulfo Arias Madrid, three-time president of Panama and leader of the Authentic Panamenist Party [PPA], will arrive in the country in the next few days. A big welcome is being planned for him. Guillermo Endara, his spokesman, said that Arias Madrid will be returning very soon.

The PPA president has been the president of Panama three times and was overthrown on each of those three occasions, the last of which was in October 1968, 11 days after taking office.

Civic Crusade Leader De la Lastra Released
PA082008 Panama City ACAN in Spanish 1926 GMT 8 Apr 88

[Text] Panama City, 8 Apr (ACAN-EFE)—Today Father Fernando Torres, secretary to the apostolic nuncio in Panama, confirmed to ACAN-EFE that Carlos Ernesto Gonzalez de la Lastra, one of the top leaders of the opposition Civic Crusade, is in the nunciature as a "guest."

Gonzalez de la Lastra, who was released last night, was arrested on Monday, 28 March, by the authorities on charges of attacking the national economy and subverting domestic order.

Alvin Weeden, one of the opposition leader's lawyers, told ACAN-EFE that De la Lastra will go into exile, probably to Venezuela. Unofficial sources said he will leave late this afternoon. A judicial source neither confirmed nor denied that a writ of habeas corpus filed by De la Lastra's lawyers had been rejected. Nevertheless, the opposition leader's lawyers said the writ was initially accepted and subsequently rejected without any explanation.

Father Fernando Torres said Apostolic Nuncio Jose Sebastian Laboa is "very reserved" and had not informed Torres of the opposition leader's presence in the nunciature. The priest said he saw De la Lastra this morning and thus learned of his stay there.

"The Catholic Church accepts all individuals without distinction, and Mr de la Lastra remains here as a guest," the nuncio's secretary said.

'Incident' Between FDP, U.S. 'Invasion Forces'
PA090107 Panama City Televisora Nacional in Spanish 0005 GMT 9 Apr 88

[Text] The Panama Defense Forces [FDP] have allowed this station to show films of an incident that occurred this morning because of the arrogant and provocative attitude of U.S. soldiers who are members of the invasion forces sent by the U.S. Government to our country. The incident could have had serious consequences because of the tension created by the U.S. Government in Panama.

The incident occurred when U.S. soldiers and vehicles blocked the passage of a Panamanian military patrol vehicle in a neutral, free transit area established by the Torrijos-Carter Treaties. A military cameraman was traveling in the vehicle, filming how the invasion troops are setting up a military garrison in a residential area, which is forbidden and which has not been approved by the Combined Defense Board of the Security Commission.

One of the U.S. military men, whose last name is Bender, arrogantly chased the Panamanian patrol vehicle blocking the road to a location a few meters away from the Panamanian Military Police post, an area under Panamanian control. With this attitude, the U.S. military provoked a big argument with the Panamanian military men driving the military vehicle.

The film shows the U.S. soldiers' attitude, which forced Panama Military Police Chief Captain Cortizo to come to the site of the incident. Capt Cortizo emphatically notified the U.S. military men that, at that time, they

were out of their area of jurisdiction and that their entrance into territory under Panamanian jurisdication was a violation of the Torrijos-Carter Treaties.

Finally, after the emphatic and firm position by the Panamanian military was expressed, the U.S. soldiers—some of them dressed in civilian clothing and driving rented vehicles—withdrew from the area. Bender waited for the arrival of the officers [not further identified] to settle the violation.

Furthermore, and in another violation, the presence of U.S. military men dressed in civilian clothing has been detected. Many of them [have been detected] wearing sports clothes and driving rented vehicles suspiciously at various points in Panama City and in the countryside. This could cause serious incidents because of the U.S. Government's threat of aggression against Panama.

FDP Disperses March in Chiriqui, Arrests 31

PA092359 San Jose Radio Impacto in Spanish 1401 GMT 9 Apr 88

[Report by Homero Londono from Panama]

[Text] According to reports we have received from Chiriqui Province, on Thursday, Panama Defense Forces [FDP] units dispersed a march called by the National Civic Crusade [CCN] and supported by the Chiriqui Chamber of Commerce.

At 1600, as scheduled, a large number of Chiriqui residents gathered at Cervantes Plaza, where they were to begin a peaceful march to the bishopric to deliver to Msgr Daniel Nunez a letter of support for the Episcopal Conference and to participate in a mass there. However, the march, which began at Cuatro Vias, was intercepted and repressed by FDP members, who used teargas cocktails and birdshot. However, the Chiriqui people insisted on continuing their efforts to go to the bishopric.

There were several clashes between the FDP and the peaceful demonstrators, who were beaten by FDP members who used their usual rubber hoses. A Panamanian Air Force helicopter flew over David during the time of the incident to intimidate the demonstrators.

In addition, approximately 31 people were arrested, 27 of whom were already released during the CCN demonstration. Many people were seriously hurt by birdshot and blows from the rubber hoses. Rabbi Ramon Kadoch is still under arrest. He was severely beaten. Ramon Kadoch is the father of Enrique Kadoch, who was already released. Percy Roman, the lawyer for Petroterminales, was also severely beaten. Nieve de Alvarado, Max Alvarado, Eliecer Pinzon, Jorge Escude, Dr Gabriel Gutierrez, Dr Gustavo Sanchez, and Jaime Gomez are still under arrest. Other people, whose names we do not know, are also under arrest.

Decision Not To Print Paper Money Reiterated

PA081411 Hamburg DPA in Spanish 0322 GMT 8 Apr 88

[Excerpt] Panama City, 7 Apr (DPA)—Panama has decided not to issue its currency—the balboa—in paper money despite the acute crisis the country is facing as a result of a freeze on its funds in the United States and other sanctions imposed by the U.S. Government.

President Solis Palma's cabinet discussed the possibility of issuing paper money in balboas, but reached the conclusion that it would be counterproductive and harmful to the country's economy, according to a statement issued last night by Commerce Minister Mario Rognoni.

A presidential palace spokesman "emphatically denied" reports circulating abroad to the effect that Panama was having 200 million balboas printed in the FRG.

"It would be fatal for Panama to issue paper balboas," the National Banking Association said today.

Panama will continue to use dollars as the national currency in bills of $1, $5, $10, $20, $50, and $100, and balboas in coins worth 5, 10, 25, and 50 cents. [passage omitted]

Planning Minister Requests SELA Banking Aid

PA101636 Panama City Domestic Service in Spanish 1730 GMT 9 Apr 88

[Text] Ricaurte Vasquez, Panamanian planning and budget minister, has sent a letter to SELA Executive Secretary Carlos Perez del Castillo stating that SELA should request the central banks of the its member states to cooperate with the National Bank of Panama and agree on a mechanism to allow the National Bank of Panama to change its liquid assets, which are also in dollars, into cash, in order to have a temporary source of cash that will allow the reopening of the Panamanian financial and banking system and the development of some kind of economic activities in Panama.

Similarly, Minister Vasquez stated that the SELA member states' banks should give instructions to a bank of wide international recognition to open an account of payments for the National Bank of Panama so it can perform its duties as a clearinghouse for the rest of the local banks. The National Bank of Panama is not only a state-owned bank and a republic's fiscal agent, but also a commercial bank with a large private clientele.

In his letter, Minister Vasquez stated that the aforementioned operations will be paid for in accordance with the ways regularly accepted in the banking business. Minister Vasquez based his request on SELA Resolution No 271 approved in the 6th special Sela meeting and in

virtue of the document presented at that meeting, which is entitled: "Requirements for Economic Cooperation With the Republic of Panama."

At the aforementioned meeting, the Panamanian Government explained the economic measures used by the United States to put pressure on our country—especially those preventing Panama from having access to the international financial market; preventing its obtaining the corresponding foreign exchange for its exports; and preventing it from importing—because Panama needs to use foreign exchange to import staple items and capital goods.

The U.S. judicial action against Panama has led financial and banking institutions, which deal in dollars, to find potential risks in working with Panama, fearing that similar sanctions will be applied to them if they cooperate with Panama by transferring funds or other regular banking operations. This denies Panama all possibilities for developing regular operations, foreign trade, and transfer of funds operations. In addition, international banks refused to continue their services as correspondents for the National Bank of Panama. This has prevented the National Bank of Panama from resuming its local banking operations; as a result, the rest of the local banking system remains closed.

National Savings Bank Board on Sector's Plight

PA100038 Panama City Circuito RPC Television in Spanish 2300 GMT 8 Apr 88

[Letter from the Panamanian National Savings Bank Board of Directors to Manuel Solis Palma, minister in charge of the Presidency; dated 6 April]

[Text] Your Excellency:

Our great responsibility as directors of the National Savings Bank obliges us to point out the current status of this institution in light of the situation prevailing in the Republic of Panama after 10 months of political, economic, and social instability.

Since 1934, when the National Savings Bank was founded, it has had on its Board of Directors outstanding members of Panamanian society who, by shirking partisan politics, managed to instill a high degree of public confidence in the bank, which is the fundamental basis for its soundness. The incumbent directors have continued the wise policies of past boards, which have resulted in stable managements to the point where the bank has had only five general managers in 53 years. This has allowed us to devote ourselves more fully to our duties in the bank's interest rather than to activities to curry favor with the respective governments.

The ethical and moral basis for our decisions has always been our responsibility to depositors, because we are convinced that confidence is the basis for a stable and sound banking system. That is why we have firmly steered the bank's management with policies that have always resulted in increases in all types of savings and the granting of credits with real guarantees, making the institution the country's foremost mortgage bank.

The confidence that depositors have had in Panama's banking system, and more specifically in the National Savings Bank, is reflected in statistics that show a positive growth rate up to the first half of last year. In our case, the balance at the end of that period, i.e., June 1987, reflected a substantial increase in deposits and a liquidity of 89.02 million balboas with assets totaling 417.1 million balboas. Since that date up to the closing of the banks—1 June 1987 to 3 March 1988—as a result of developments that are public knowledge, the National Savings Bank experienced withdrawals totaling 71.8 million balboas. Moreover, an additional 10.2 million balboas of previously approved mortgage loans were disbursed during that period.

Developments have demonstrated that the banking system is not isolated from other activities in our country. Much to the contrary, these have a great impact on depositors' confidence. It is evident that developments at the beginning of the second half of 1987 were a great blow to the users' faith in Panamanian banks. It was perhaps more significant in our case because of the number of depositors we have.

The uneasy climate that has prevailed in our country since then and the long wait for a national agreement to end the country's crisis seem to have raised depositors' distrust to alarming levels. The Panamanian banking system faces an imminent, complete collapse if the causes that led to this situation are not resolved in the short term and if an economic backlash occurs.

Despite this situation and the increasing distrust in the system, we—the directors and management of the National Savings Bank—have fulfilled and will continue to fulfill our responsibility to our depositors. After a serious and profound evaluation of this difficult situation, and because of these circumstances and the foregoing conclusions, the Board of Directors and management of the National Savings Bank feel that we must address the executive branch and state that we unanimously feel that for the sake of protecting our half million depositors, neither the National Savings Bank nor the Panamanian banking system should open their doors to the public as long as this crisis and the current banking panic exist or until sufficient additional funds are made available to this institution to guarantee its operation.

Until confidence in the country and, therefore, in the system are restored, we cannot hide from the reality that account holders know their money may be in greater jeopardy if the banks open under prevailing conditions.

Very truly yours,

[Signed] Bey Mario Arosemena, director; Enoch Velarde, director; Anibal Galindo Jr., director; Felipe E. Motta C., director; Jaime de la Guardia, director; Mario Luis Typaldos, General Manager

Copies to: Ricaurte Vasquez, President of the National Banking Commission; and Edgardo Lasso Valdes, President of the Panama Banking Association

Lt Col Wong on Role of Military Intelligence

PA110013 Panama City LA REPUBLICA DOMINICAL in Spanish 10 Apr 88 p 9-B

[Speech by Lieutenant Colonel Guillermo Wong, chief of the G-2 of the Panama Defense Forces (FDP) General Staff, at the commemoration of the eighth anniversary of the Defense Forces' Military Intelligence; date, place not given]

[Text] In 1980, 9 April was established as the Day of Military Intelligence of the Panama Defense Forces in tribute to and in recognition of the anonymous men and women in uniform whose daily tasks are fundamental for the security of the Panamanian state in all its aspects, with a security concept that encompasses not only the constitutional authority of the institution of the civilian government, its stability, and the integrity of the citizens who conform to it, but also the peace, order, and respect for the law that must characterize the development of all the activities of the nation's populace.

We are gathered here to commemorate this date with a celebration open to everyone's scrutiny and without any kind of apprehension, because the FDP Military Intelligence is also an expression of that new style, that new function, and that new vision of the Panamanian military man in Latin America who is leaving behind as useless and outdated the practice of imposing authoritarianism. Instead of that practice, and as a legacy of the late General Omar Torrijos Herrera, we have adopted understanding, dialogue, conciliation, and the premise that the laws must never serve to repress or to exploit the people, but to redeem them and to raise their standard of living, both materially and spiritually.

There are many countries in the world, including large democracies, where military intelligence services would never even consider holding such a celebration as this one without restrictions and precautionary measures. In many countries, the concept of state security prevails over any other consideration. In fact, prominent writers and thinkers who are viewed as apostles of democracy have said that states have no morals as far as military security or economic security matters are concerned and that, in those cases, states are guided by their own interests.

However, we act on the basis of the belief that there is an invisible code that governs our actions and that this code is comprised of current laws, the moral ideas and religious beliefs of the people, and the interests of the popular majority, which is the ultimate and basic source of our authority. We can act openly and hold our heads high because our conduct is based on that code, which leaves no room for either condemnable or shameful actions.

When Panamanian military leaders, after obtaining that great victory of achieving the Torrijos-Carter Treaties, decided that the moment had come to lead the country on the path toward full and lasting democracy, all of us in the FDP accepted the obligations that this decision entailed.

Although those obligations entail strict limits on the action of Military Intelligence, we have been obeying them, and with this obedience we have been able to build a great record in the minds and hearts of the people. That is why, when the false local and foreign prophets came out clamoring for freedom, democracy, and justice, the people did not pay attention to them, because the people knew that in Panama there is no oppression, that a true democracy is the one we are determined to build, and that the real injustices are not in the courts but in the organization of the society that erects insurmountable obstacles against the poor and the downtrodden, thus preventing many Panamanians from truly feeling free and equal before the law. The people knew that if the laws are unjust, there cannot be justice, no matter how just the judges are.

The people are now suffering new and terrible injustices. Where before there were limitations, there is now poverty; where before there was poverty, the situation is now distressing; where before the situation was distressing, survival is now threatened. We all know that what Panama is suffering today is due to the U.S. Government's desire for domination.

Someday, when everything is known and the stage properties and the actors have been placed in their correct place in history, it will be very clear that the battle that Panama is waging today for its sovereignty and political independence, the battle that is being waged by civilian leaders who are on the side of the fatherland and dignity, and the willingness to fight to the death for Panama, which is present today among all FDP members and the volunteers of the Dignity Battalion, also includes our loyalty to the ineluctable commitment of seeing a free, honorable, proud, and democratic fatherland.

The poison of fascism propagated by Washington has sown such division in Panamanian society that the entire democratization process is at risk. The objectives of the economic aggression are thus revealed. They are not only the destruction of the banking center, but also the destruction of peace and order to justify a military aggression. The men of Military Intelligence and the leaders of the FDP know this well, and it should also be known by everyone, because we are not going to fall into any trap. What Panama's enemies have achieved is not invisible. We could have crushed them at any time, but

we have not done so because we continue to be loyal to the decision made by Gen Torrijos with the members of his General Staff, who are today in command of the FDP. The sedition in civilian society has now made much more difficult the FDP's responsibility in the process of building a full and lasting democracy in Panama. Our enemies will get a taste of you know what when they see with what courage the FDP fulfills its commitment to democracy.

Everyone acknowledges the FDP's efficiency and professionalism. Everyone knows what type of organization and what strength in resources the FDP Military Intelligence has, especially knowing that it is the fruit of the personal dedication of General Manuel Antonio Noriega over more than a decade.

Today, commemorating the eighth anniversary of FDP Military Intelligence, our commander in chief, General Staff, the mid-level commanders, noncommissioned officers, and troops continue as one man in the impregnable trench of the fatherland, with a weapon in one hand and a flag in the other, ready to die rather than to kneel.

Today more than ever, our institution is strengthened by its unity and its projection toward the future. The promotions and advancements in the process of generational replacements form part of our development, and our units' military professionalism is a source of pride for each of us who sees in the current FDP structure a range of opportunities open to all levels of military life.

In Military Intelligence we contribute to the strengthening of the institution that we know is nationalist, because it is loyal to the slogan "Everything for the Fatherland"; revolutionary because it works for positive change; Christian because it defends the faith of its members and the natural heritage of all children of God; and popular because all, absolutely all its members come from the clay of the people.

We can proudly say that our Armed Forces are not and will not be the same, in either their essence or their circumstance, as other armed forces of the north or south, east or west, and that we will continue working, with Panamanian aspirations and objectives, with the professionalism and patriotic spirit that our commander has instilled in us. With that spirit and that vision, we have undertaken, as a first priority, the study of the internal phenomena related to subversion, and we have reached adequate conclusions to contribute to the effective reform of the structures as a means to neutralize rebel or subversive activities in order to help the development and maintenance of order, which will make possible the uninterrupted continuation of the improvement of national independence and government actions to promote the progress and well-being of the majority of the country.

The current situation demands more from each of us, more use of the intelligence, more application of perspicacity, more support with understanding and common sense, more cautiousness in opinions, more serious analysis, more cold logic and clarity in reports, and much, quite much more adherence to our slogan "Always Alert." Thank you.

'Differences' in U.S. Government Over Policy

PA091748 Panama City Domestic Service in Spanish 1645 GMT 9 Apr 88

[Text] There are serious differences between the U.S. Defense and State Departments over the conflict in Panama.

The U.S. Defense Department has strongly criticized the State Department for its efforts to step up actions to force General Manuel Antonio Noriega to relinquish power in Panama. The Pentagon has warned that if they are very aggressive in their future actions there may be violence and this may result in the loss of U.S. lives and property in Panama, regardless of the number of soldiers who are sent to protect U.S. intersts.

A Pentagon official explained that for the time being there is no direct threat to U.S. citizens or military installations, but he agreed that there is still a serious difference of opinion between the State and Defense Departments as to the most adequate way of handling the conflict in Panama. The report [not further identified] adds that as part of its strategy the U.S. Government is threatening Panama with more economic sanctions and asserts that it has not ruled out military action.

However, the report also points out that the strategy involves the danger of turning the feelings of hatred toward Noriega against the United States. Other reports have stressed that President Ronald Reagan has expressed a willingness to exclude an armed invasion of Panama. However, Defense Department spokesmen have announced the arrival of thousands of soldiers in Panama to bolster the security of U.S. installations and personnel. This excuse has very little credibility and clearly reveals the discrepancies among the U.S. Government's command echelons.

U.S. 'Colonial, Warlike' Deployment 'Futile'

PA100101 Panama City CRITICA in Spanish 9 Apr 88 p 4

[Editorial: "A Futile Deployment"; passage in boldface as published]

[Text] The United States, engaged in a colonial, warlike adventure in Latin America with Panama as the focal point, has deployed a new imperial vanguard of soldiers a few days away from its elections for presidential candidate [as published], exercising coercion and in open violation of the canal treaties and a policy of

neutrality. This time the pretext is "training in unconventional jungle warfare." It was announced that 800 elite troops from the NATO forces in the heart of Europe will come to the mountains of Chilibre and Contractors Hill. It escapes nobody's attention that this is a new provocation and coercive act against the Panamanian democratic constitutional government and its exemplary and proper Panama Defense Forces.

We of CRITICA believe that such a deployment is futile boasting, similar to "the Ocueno's dragging of the blanket," to coin a popular adage referring to that famous personage of Ocu, Herrera Province, who always arrived at parties with a huge blanket and always managed to challenge someone to a duel when a tamborito dancer unwarily stepped on it. Finally the day came when they all decided to throw him off a hill.

The futility of the U.S. colonial, warlike deployment will become evident, no matter what happens. Anyway, the United States is doomed to drop the mask it has used at the negotiating table with the Soviet Union and other nations of the world. **If they win militarily they lose, and if they lose politically they will be left without a base in Latin America.** Therefore, they had better give up on their boasting and start retreating. That is why we say that their deployment is futile, despite their temerity, and is not the logical thing to do in Panama.

Suspension of Flights by U.S. Airlines Decried

PA090446 Panama City Televisora Nacional in Spanish 0300 GMT 9 Apr 88

[Text] Tonight Televisora Nacional confirmed that U.S. Eastern and Pan American Airlines have canceled their flights from the United States to Panama and from Panama to the United States because of pressures from the U.S. Government.

An authorized Civil Aeronautics Directorate spokesman told this television station that an Eastern Airlines jet en route to Panama this evening was sent back to Miami.

This tops all U.S. pressures, which are part of the U.S. sanctions against Panama. The Civil Aeronautics spokesman described this aggression as further proof that the United States will do anything to harm our country. The Civil Aeronautics Directorate has pointed out that because of this action—because of the suspension of Eastern and Pan American Airlines flights—it has decided to strongly protest to the International Civil Aviation Organization and to request the annulment of the ignominious 1949 agreement that regulates air traffic between the United States and Panama, which has traditionally been a good relationship.

Argentina

President Alfonsin Returns From Brazil

PY090039 Buenos Aires TELAM in Spanish 1956 GMT 8 Apr 88

[Text] Buenos Aires, 8 Apr (TELAM) — Upon returning from an official visit to Brazil today, President Raul Alfonsin said: We did well, we took important steps in the protocols we had already signed, and we also signed two new ones, one dealing with the automotive industry and the other with the food industry.

During a conversation with reporters at Ezeiza International Airport, the president emphasized the importance of the joint declaration signed this morning on cooperation in nuclear technology.

He added: This means the two countries are going to eliminate any kind of suspicion, and we are going to cooperate in the technical and scientific field for the development of peace.

He concluded by saying: Perhaps this does not seem important now, but I believe that in the future it will mean putting an end to any arms race or avoiding any type of arms race in Latin America.

Asylum Officially Granted to Paraguayan

PY082225 Buenos Aires TELAM in Spanish 2216 GMT 8 Apr 88

[Text] Buenos Aires, 8 Apr (TELAM) — The Argentine Foreign Ministry officially reported that Miguel Saguier, a leader of the Paraguayan Authentic Radical Liberal Party today arrived at the Argentine Embassy in Asuncion asking for political asylum. This asylum has been granted.

The Argentine Foreign Ministry issued a communique stating that it has asked the Paraguayan Foreign Ministry to provide Saguier with a safe-conduct to Argentina and all necessary protection.

Brazil

Sarney Extols Cooperation With Argentina

PY090300 Brasilia Domestic Service in Portuguese 2200 GMT 8 Apr 88

[Report on "by the radio" speech of President Jose Sarney on 8 April—passages within quotation marks recorded]

[Text] President Jose Sarney has reasserted that Brazil and Argentina will use nuclear energy only for peaceful purposes. In his weekly radio program By the Radio, President Sarney talked about the policy of Latin American integration, stressing the visit of the Argentine and the Uruguayan presidents to Brazil.

"We signed the Alvorada Declaration—so named because it was signed in the Alvorada Palace—which is the first tripartite declaration by the three presidents, setting up a common policy for Uruguay, Brazil, and Argentina. This commuique No 1 sets up a transportation policy, which will make possible transportation throughout the three countries free from bureaucratic or border barriers. This is the first step for the free circulation of goods throughout these countries, under common rules."

President Sarney also recalled the visit he made to the uranium enrichment and nuclear research plant of Pilcaniyeu in Argentina. He stressed the current cooperation in the nuclear area between the two countries. This cooperation has now increased with the inauguration of the Ipero plant in Sao Paulo with President Raul Alfonsin in attendance.

"Since we took office, we agreed through the Iguacu Act to establish cooperation in the nuclear area between the two countries. The purpose of this cooperation is to work together, to exchange technologies and information in a spirit of loyalty and friendship, so as to dispel all speculation about a nuclear race in Latin America. Brazil and Argentina then began a policy unprecedented in the world between two nations. This policy has yielded positive results, and today, any suspicion that this cooperation might be intended for any purpose other than the peaceful uses of nuclear energy is totally dispelled. Nuclear energy, both in Brazil and in Argentina, is at the service of peace through a system of mutual assistance for the benefit and well-being of our people."

President Sarney said the visit of President Raul Alfonsin to Brazil is significant for the future of the two nations.

"Yesterday, President Alfonsin said that if nothing is left in the wake of our stint in government, there will at least remain the gratitude of the present generations, our children, and grandchildren for having made the courageous and historic decision to grow together and to forever dispel any shadow of a nuclear race. And I added that this effort was not for the benefit of the people of Argentina and Brazil alone, but for all the peoples of our Continent."

Sarney further revealed that during the visit of the Argentine president, the first payment was made to the compensation fund that implements the common market.

"The Brazilian-Argentine common market, which was only a dream 3 years ago, is a reality now. It is operating, and we already have a list of 524 capital goods that are free of taxes and can circulate between Brazil and Argentina. Our continent should not remain behind and outside the economy of common markets, such as the European Common Market, the Comecom, and others.

We began to set up a common market, and now we will invite other countries of the continent to participate in it. This two-country common market is open to the other countries of the continent, so that together we can defend ourselves in an increasingly competitive world."

Finally, President Sarney said the two countries are working together in order to improve the standard of living of their populations, preparing them for the future.

"The Brazilian foreign policy that is Latin America-oriented has gone somewhat unnoticed by our people because it is not a matter of daily debate, a matter of daily concern. But this policy is extremely important because today's world is increasingly interdependent. No one can live isolated within a system of autarchy, and so Brazil is taking the basic steps for its modernization and its participation in the world, particularly in the Latin American world, where Brazil has a position it cannot ever relinquish."

Joint Nuclear Policy Declaration With Argentina
PY102135 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Apr 88 p A-8

["Text" of the Ipero Declaration on Nuclear Policy signed by President Jose Sarney and Argentine President Raul Alfonsin in Ipero, Sao Paulo State, Brazil, on 8 April]

[Text] The Government of the Federative Republic of Brazil and the Government of the Argentine Republic,

Taking into account the commitments assumed in the Joint Declarations of Foz do Iguacu and Brasilia, and Viedma [in Argentina], reiterate their firm conviction in the importance of nuclear energy for the economic and social development of their peoples, and reaffirm the inalienable right to develop, without restriction, their nuclear programs for peaceful ends, and declare:

1. Their satisfaction at the progress being made through the nuclear cooperation between the two countries, the bases of which were laid down in the Declaration of Foz do Iguacu, which created the Working Group on Nuclear Policy.

2. The importance of the identification by the working group of priority areas for the development of cooperation as stated in Protocol No 11 on immediate warning and reciprocal assistance in cases of nuclear accidents and radiation-related emergencies, and its annexes, and in Protocol No 17 on nuclear cooperation.

3. Their satisfaction with advances made in bilateral cooperation in the nuclear area, particularly in the areas of safeguard techniques, nuclear safety, and fast reactors, and with the exchange aimed at complementation of the nuclear sectors of the two countries, especially regarding reciprocal supply of equipment and materials.

And note:

1. The fact that bilateral cooperation in the nuclear field has introduced unprecedented forms of cooperation, making possible an increasing frequency of visits, contacts at the political and technical levels, and significant exchanges of information, thus contributing to the consolidation of mutual trust.

2. The total agreement of Brazilian-Argentine positions on the main international issues in the nuclear field.

3. Their will to extend cooperation to all Latin American countries that might be interested in participating in this cooperation.

And stress:

1. In the context of the unshakeable commitment of both nations to use nuclear energy for peaceful purposes, the highly significant gesture of President Sarney's visit to the uranium enrichment plant of Pilcaniyeu.

2. In the same context, the fundamental importance of President Raul Alfonsin's visit to the Aramar Experimental Center, in Ipero, when the two presidents inaugurated the uranium enrichment plant by bringing into operation the Admiral Alvaro Alberto Unit.

3. The complementary technical visits to the aforementioned plants on a reciprocal basis.

4. The fact that both installations are undeniable testimony to the capacity of the two peoples to develop high-level technology for peaceful ends by their own means.

And decide:

1. To improve existing mechanisms of political and technical cooperation by increasing the number of reciprocal visits and exchanges of information aimed at broadening the reciprocal acquaintance with the respective nuclear programs so as to optimize technological complementation and reciprocal trust.

2. To transform into a permanent committee the joint working group created under Item 4 of the Declaration of Foz do Iguacu, with the objective of undertaking and coordinating initiatives in the political, technical, and industrial areas of the nuclear sector. The permanent committee will meet at intervals of 120 days, alternately in Brazil and Argentina, to discuss all topics of mutual interest in the nuclear area. However, this committee could hold additional meetings at a level agreed upon by the two parties.

Ipero, 8 April 1988.

Alfonsin on Nuclear Safeguards

PY090358 Buenos Aires NOTICIAS ARGETNINAS in Spanish 2155 GMT 8 Apr 88

[Excerpts] Sao Paulo, 8 Apr (NA) — President Raul Alfonsin advocates "something like a new Tlatelolco Treaty," where "we can offer the necessary safeguards, and where we, ourselves, establish our goals for the peaceful use of nuclear energy," so as not to depend on guidelines set up by the world powers.

Alfonsin said that under the present circusmtances, the Tlatelolco Treaty "is linked to the Nuclear Nonproliferation Treaty," which "appears to create a club of older members (made up of the world powers) who can do as they please, and another club of latecomers, who cannot do anything," referring to the developing countries.

Alfonsin made these statements to "GAZETA MERCANTIL" of Sao Paulo. [passage omitted]

During his interview with GAZETA MERCANTIL, Alfonsin was asked if Argentina was prepared to ratify the Tlatelolco protocols. He said we face "a different problem" here.

"We are seeking a different path to advance in our scientific and technological development because the Tlatelolco Treaty invariably leads us to the Nonproliferation Treaty," Alfonsin said.

According to GAZETA MERCANTIL, Alfonsin said "there are a series of objections to this treaty because it appears to create a club of older members who can do as they please, and a club of latecomers, who cannot do anything."

Alfonsin stresed that the latter group is made up of a large number of developing nations.

"We want the dangers of a horizontal proliferation to be taken into account, but we beleive that vertical proliferation is much more serious and we are continuously struggling against it," Alfonsin stressed referring to the ever larger North-South breach.

Alfonsin said that this is one of the objectives of the Group of Six struggle against militarism. He said "we are willing to work for something like a new Tlatelolco Treaty where we can offer the necessary safeguards, and where we ourselves establish our goals for the peaceful use of nuclear energy."

Alfonsin said the "new Tlatelolco" would not be for the Group of Six, and added: "We could start working on it with Brazil because Argentina and Brazil are the two countries with the highest level of development in this area."

Presidents Dedicate Plant

PY081556 Buenos Aires TELAM in Spanish 1318 GMT 8 Apr 88

[Text] Sao Paulo, 8 Apr (TELAM Special) — Argentine President Raul Alfonsin and Brazilian President Jose Sarney this morning dedicated the "Aramar" Atomic Experimental Center in Sao Paulo State.

The presidents also signed a document sanctioning their decision to intensify integration in the atomic field, thus guaranteeing the sector's autonomous and peaceful development.

Alfonsin and Sarney dedicated the "Aramar" plant where Brazil mastered the uranium enrichment cycle with national technology. The plant operates at the Navy's Admiral Alvaro Alberto Base. The nuclear project is considered part of the government's official development program.

After the dedication ceremony, the two presidents left for Sao Paulo in a Brazilian Air Force helicopter.

A farewell ceremony will be staged at Sao Paulo Cumbica Air Force Base at 1115 [1415 GMT] and President Alfonsin and his entourage will depart for Buenos Aires on an Argentine Air Force plane. He will arrive at Ezeiza International Airport at about 1345 [1645 GMT]

Minister on Peaceful Program

PY090035 Brasilia Domestic Service in Portuguese 2200 GMT 8 Apr 88

[Text] Navy Minister Henrique Saboia, representing President Sarney, talked to journalists about the importance of this new stage reached by the Brazilian-Argentine nuclear program.

[Begin Saboia recording] It has great importance for our country because this is another stage of a program that had to overcome many difficulties in diverse technological areas. [end recording]

Minister Saboia also denied that this program has military objectives.

[Begin Saboia recording] We have to make it clear that the government has made a decision to use nuclear energy for peaceful ends. [end recording]

CNEA Chief on Alliance

PY082212 Buenos Aires DYN in Spanish 1148 GMT 8 Apr 88

[Text] Sao Paulo, 8 Apr (DYN) — CNEA President Emma Perez de Ferreira said today that the Argentine-Brazilian alliance for nuclear energy research "exists only in the minds of the members of the Nuclear Club," and she denied that they are cooperating to build an atomic submarine.

Ferreira said that except for a "symbolic" document that will be signed today by Argentine President Raul Alfonsin and Brazilian President Jose Sarney, "no new aspects in the field of nuclear energy will be agreed upon."

The CNEA president is in Sao Paulo as part of the delegation accompanying President Alfonsin on his 3-day visit to Brazil.

When asked about the progress attained by the two countries in the field of nuclear energy, she said: "We have recently made significant progress in finding points of agreement regarding high-risk waste treatment."

Ferreira also said that integration with Brazil creates conditions favorable to "selling nuclear technology" to the rest of the Third World countries. Nuclear plants in the two countries should start working to promote technology sales, she said. This is why she exhorted the officials to define a policy so that construction can begin on a fourth Argentine nuclear plant.

She said that Argentina "has already sold a nuclear plant to Peru," and "there is a possibility" that a similar plant will be purchased by Iran, although the CNEA "is waiting for the outcome of the Persian Gulf conflict" between Iran and Iraq to make the deal.

Regarding the project for building a "nuclear waste dump," she said: "The nuclear accident that took place in Brazil last year has delayed the investigation and development plans in this field." This incident demonstrated the need to make greater efforts to find a place to dump nuclear wastes.

She said that currently one of the most important aspects of the peaceful Argentine-Brazilian nuclear research task is to coordinate technologies of different levels of progress.

Ferreira said that "different technologies would have to be made compatible, but this does not mean we will carry out a joint program with existing nuclear plants. However, from now on we can work together in the fields of nuclear safety and protection from radioactivity, two fields in which the countries are at the same level."

Alfonsin Ends Visit, Departs

PY081720 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 8 Apr 88

[Text] President Jose Sarney and Argentine President Raul Alfonsin this morning dedicated the uranium plant in Ipero, Sao PauLo. They also signed the Ibero Declaration in which they reaffirmed their intention to use nuclear energy only for peaceful purposes.

Presidents Sarney and Alfonsin then went to Guarulhos International Airport, in Greater Sao Paulo, aboard a helicopter. President Alfonsin then departed for Buenos Aires, while President Sarney left for Sao Joaquim, Santa Catarina.

Officials on Navy Nuclear Facilities, Program

PY081326 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Apr 88 p A-8

[Text] Yesterday National Nuclear Energy Commission (CNEN) President Rex Nazareth, 50, said in Sao Paulo that the government will keep secret the quantity of processed enriched uranium and the production capacity of the Aramar experimental center, which is run by the Navy, in Ipero (125 west of Sao Paulo). President Jose Sarney and his Argentine counterpart, Raul Alfonsin, will visit the plant tomorrow. "We will not disclose the information that they did not disclose to us," Nazareth said, alluding to the visit Sarney paid to the Argentine nuclear facilities in Pilcaniyeu in 1987. Nazareth spoke during a news conference held at the Institute for Nuclear and Energy Research (IPEN), at the university campus (western Sao Paulo) yesterday afternoon. The uranium enrichment facilities were shown to the press on that occasion.

Nazareth refused to disclose the number of centrifuges, the machines that enrich uranium, operating in Ipero. IPEN Nuclear Material Department Director Alcidio Abrao, 63, said that the Navy plans to operate 400 centrifuges in Aramar. Abrao explained that there are some 12 tons of uranium hexafluoride in IPEN and that this material will soon be transferred to Ipero. Uranium hexafluoride is the raw material used in the centrifuges of the Almirante Alvaro Alberto isotope enrichment unit, which will be dedicated tomorrow. Two old centrifuges models were shown in IPEN. Authorization was not given to take pictures of the more modern machines.

Rear Admiral Othon Luiz Pinheiro da Silva, 49, who is the director of the IPEN Reactor Research Department and who is in charge of the Ipero facilities, said that "by mid-year Brazil will be able to enrich uranium to 20 percent." Enriching uranium means turning it into nuclear fuel. The process consists of increasing the concentration of uranium 235 in relation to the concentration of uranium 238, which is a more common isotope. The enrichment to 20 percent (that is, obtaining a material with 20 percent of uranium 235) transforms the material into a fuel that can be used in a propulsion reactor for a nuclear submarine, which is the Navy's objective. The Aramar center has already managed to enrich uranium to 5 percent. The Navy also wants to build a 50-megawatt reactor in Ipero to serve as a model for the nuclear submarine reactor. Pinheiro da Silva admitted that hydroelectric energy is cheaper, but he stressed that Brazil must develop its nuclear capacity "to use it whenever necessary."

Pinheiro da Silva added that some $50 million has already been spent in the project since 1982, and that $81 million was spent in 8 years for developing the uranium enrichment technology. Nazareth said that the funds have been provided by the Navy, the National Security Council, and the CNEN.

The rear admiral said that the autonomous nuclear program actually began on 2 February 1980 with only 7 people and "little money." The beginning of the program was planned during 4 months in 1979. The first successful isotope enrichment experience performed with equipment designed in Brazil took place in September 1982. The first "cascade" was achieved 2 years later using 9 ultracentrifuges. The cascade is a graudal uranium enrichment process.

Daily Views Nuclear Counterespionage
PY081437 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Apr 88 p A-8

[By Roberto Lopes]

[Text] Brasilia—The SNI (headquartered at the organization's central agency, in the sector of Isolated Areas in southern Brasilia) and the military information services are keeping track of the efforts at least three countries—the United States, the USSR, and Argentina—have made to keep abreast of the progress made by the Navy in the research of the propulsion system of the first Brazilian nuclear submarine (whose construction is scheduled for the beginning of the next century).

Some 3 years ago, when the project—christened "Chalana"—was still being developed at the Institute for Nuclear and Energy Research (IPEN) in Sao Paulo (Sao Paulo University campus), the then Captain of Sea and War Othon Luiz Pinheiro da Silva (today a rear admiral), who was the chief of the project, discovered an information leak. An investigation led Othon to an Army reserve colonel, who was also an IPEN official, who was in contact with a U.S. citizen who passed himself off as a scientist.

The investigation results were submitted in a secret report to the Navy minister, who sent it to the SNI counterespionage service. This is the sector in charge of controlling the activities of all foreigners suspected of espionage in Brazil. Later, the then Commander Othon recieved a report from Brasilia (through the Navy Ministry) informing him that the alleged U.S. scientist had no diplomatic status and that his presence in Brazil would be disposed of through secret government channels (that is, he would be expelled), without the participation of either Itamaraty or the State Department.

At the request of Othon, IPEN dismissed the reserve colonel and, months later, one of his brothers—who was a captain of sea and war—was sent into reserve. Othon's service record then began to be analyzed in order to promote him to the rank of admiral.

At the begining of 1987, the intelligence sector received information about the activities of the political sector of the U.S. Consulate in Sao Paulo, which was keeping track of the work by the Navy Special Project Coordinating Board (COPESP) in the Sao Paulo district of Ipero, where the Aramar experimental center is being installed. The "Chalana" project will gain a decisive new impulse at Aramar.

The information included the persistent pressure of a female diplomat of the U.S. Consulate in Sao Paulo on PT member Oswaldo Nocci, who leads his party bloc at the municipal chamber in Sorocaba (a municipal district near Ipero); on other local politicians who oppose the Aramar research; and on the ecological group of the Ipanema hill, an organization opposed to the work by the Navy.

President Jose Sarney and Navy Minister Admiral Henrique Saboia will take Argentine President Raul Alfonsin to the dedication ceremony of the Admiral Alvaro Alberto uranium enrichment unit in the Aramar center tomorrow morning.

The Soviets [Subhead]

In 1986, the intelligence services detected that the Soviet Embassy in Brasilia was very interested in the so-called Brazilian parallel nuclear program. FOLHA learned that a Soviet journalist residing in Brazil and some Soviet diplomats attempted to obtain information on Brazilian nuclear developments from officials from the Mines and Energy Ministry which specializes in the subject. These efforts by the Soviets were regularly reported to military members of the intelligence services.

This did not reduce the concern of the intelligence services about people who might disagree with the manner in which the government was conducting the parallel nuclear program, and even about the Mines and Energy Ministry technical team, which the military believed to be "jealous" of the strict control that the IPEN-COPESP-CNEN [National Nuclear Energy Commission] axis exercised on the research.

At the end of 1986, after FOLHA reported the construction of unexplained tunnels (which could serve some nuclear purpose) at the Cachimbo military base in southern Para, and after the press widely covered Navy activities in Ipero, the SNI and military intelligence investigated the possibility that the reports might have originated with the Mines and Energy Ministry team or with new leaks from the colonel who was dismissed from IPEN. The investigation disclosed that some information originated with Sao Paulo PT advisers, who received the information and then passed it on to reporters through anonymous calls, although the information was always provided by the same person.

Argentina [Subhead]

The SNI and the Naval Intelligence Center (CENIMAR) keep a rigorous watch on the activities of the Aramar experimental center. The two organizations have reports that even though Argentina is ahead of Brazil in the nuclear area, Argentine authorities from the nuclear sector have found it difficult to integrate the Argentine industrial sector with nuclear research. This is precisely why Argentina is interested in the Brazilian parallel nuclear program.

The security at Aramar is personally controlled by Admiral Othon, 49, a specialist in boilers who received a naval engineering degree from the Massachusetts Institute of Technology (MIT). Othon's friends call him "the Brazilian Rickover," alluding to U.S. Admiral Hyman Rickover, who is considered "the father of U.S. nuclear submarines." Sao Paulo scientists and physicists believe that Othon is "excessively militarist" in the nuclear development area, because they have been kept outside the Navy research at Aramar. National Council for Scientific and Technological Development (CNPQ) President Clodowaldo Pavan has already been informed about the situation.

At the beginning of 1987, Othon was promoted to rear admiral (two-star admiral) and his COPESP was directly linked to the important general directorate of Navy Materiel (DGMM), which is headed by a 4-star admiral.

Sarney Praises State of National Economy

PY091453 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 9 Apr 88

[Text] President Jose Sarney spoke at the opening of the apple harvest festivity in Sao Joaquim, 280 km from Florianopolis, capital of Santa Catarina State. In his speech President Sarney noted the healthy state of the Brazilian economy:

[Begin recording] Little by little we are finding new solutions to overcome what the pessimists regard as an impasse and what I prefer to call difficulties.

In the external front, where we have maintained a firm stance and upheld dialogue, we are about to reach an agreement with our creditors. This agreement will not affect our growth rate.

In March our balance of trade showed a surplus of more than $1 billion, which is irrefutable proof of the Brazilian economy's capacity and dynamism.

We will continue to find solutions to our great problems with a sense of reality and without daydreaming.

Inspired by a Christian faith and the democratic principles that have always guided me and by the belief that a great country, as is Brazil, has no right to harbor doubts about its future, I will continue to implement my government program with my mind set on the future we all aspire to. A future in which all Brazilian citizens may enjoy liberty, democracy, dignity, and social justice [end recording]

President Sarney mentioned the special attention that his government has granted to the national [words indistinct] noting that its impact is already reflected in the behavior of the Brazilian economic variables.

Preview of Government Economic Measures

PY091516 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Apr 88 p 20

[By Helival Rios]

[Text] Once monthly inflation returns to a single digit level, all salaries, both in the public and private sectors, will be readjusted every 6 months. The return to salary readjustments every 6 months, depending on inflation, is part of a new economic strategy being designed by the government according to information obtained yesterday from the Planalto Palace. As part of that strategy, the government is preparing to announce in the near future a series of measures, many of them in an advanced stage of study, such as the reformulation of federal and state enterprises budgets, which will provide for cuts of some 910 billion cruzados.

According to reports leaked by Planalto Palace, the new measures, which will be announced separately so they will not be confused as a "package," fundamentally seek to modernize the administrative structure of the public sector and the Brazilian economy.

The government's new economic strategy will be implemented mainly by the adoption of the following measures:

1. Return to salary readjustments every 6 months once inflation is brought back to a single digit monthly level, which the government expects to accomplish in the medium-term.

2. Cuts of approximately 910 billion cruzados in budgets of federal and state enterprises. These cuts will mostly affect expenditures, preserving investments as much as possible.

3. Request Congress to decide which enterprises can be privatized through the "golden share" system (of special common shares which transfer equity control but retains government control over management in case of conflict with public interest).

4. Increase taxes on short-term financial operations as a way for the government to better control the monetary policy and to lower the cost of rolling over the public debt, without resorting to the expedient of fixing negative interest on over-night operations.

5. Close several state-run enterprises, self-managed agencies, and public agencies, the functions of which can be dispensed with or easily transferred to other existing agencies.

6. Completely review the public sector salary system in order to reinstate the principle of hierarchy and to adapt salaries and benefits to specific functions and responsibilities of each respective position.

7. Improve the conventional program of privatization in order to accelerate legal steps that are now mandatory for the transfer of state-run enterprises to the private sector.

8. Make new cuts in subsidies and fiscal incentives. The government has already decided which subsidies and fiscal incentives will be cut, and they will affect items from wheat to steel sheets; that is, direct and indirect subsidies.

9. Implement a National Policy of Supplies and Prices in order to guarantee the supply-side of the market for essential products and to protect agricultural producers against the pronounced price decline during harvest season.

10. Offer new incentives for private investments considered priority under the government's new economic policy, and to those investments that are most labor-intensive.

11. Create new stimulus to technological modernization in some sectors of the economy which the government will previously establish.

12. Reform the customs tariff system in order to adapt it to the present needs of Brazilian industry. The current system was established in 1957 and has never been reviewed. The highest import tax should be reduced from 105 percent to 85 percent.

13. Implement a new program of export liberalization in order to make things easier for the exporter and to minimize the control exerted by CACEX (Bank of Brazil Foreign Trade Department). The current list of 3,000 products that are under control now should be reduced to about 15.

14. Reform the financial system in order to reduce regulations and make it more compatible with a market economy. The need to have an authorization from the Central Bank to operate a financial institution should be eliminated.

15. Implement a new industrial policy, restructuring agencies that now manage industrial policy, deregulating the economy, and attracting new investments in the country.

Nobrega on Economic Measures

PY081413 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 8 Apr 88

[Text] Speaking over a national radio and television network, Finance Minister Mailson da Nobrega has explained that the changes in the salary policy are the best alternatives the government has found.

[Begin Nobrega recording] Regarding salaries of public employees, this is the best option; it is better than dismissals, it is better than unemployment in state enterprises, in public administration, in those cases in which the employees are not protected by the job stability law.

This is better than increasing taxes, the taxes that you, housewives, pay when buying milk, bread, shoes, and clothing, the simple tax with which the government finances its administrative apparatus. [end recording]

Mailson da Nobrega added that the government intends to create the appropriate conditions in order to modernize the national economy.

[Begin Nobrega recording] I have not come here simply to explain these measures, but to tell you that they are part of a set of measures that seek to modernize the national economy, the reduction of the state's role, and the opening of more space for the private sector that must become the driving force of the country's economic and social development.

I have come here to say that these measures are part of an effort to reduce the public deficit and to eliminate a serious imbalance in the government financings. [end recording]

Paraguay

Judge Orders Arrest of Miguel Saguier

PY081549 Asuncion EL DIARIO in Spanish 8 Apr 88 p 10

[Excerpts] Criminal Judge Cesar Rey Martinez yesterday indicted and ordered the arrest and imprisonment at Tacumbu Prison of Miguel Abdon Saguier, leader of the Popular Movement for Change faction of the Authentic Radical Liberal Party. Saguier was charged with "inciting the people to violence against public institutions," a crime against Article 3 of Law 209. As of the closing of this edition, Saguier had not yet been arrested.

Rey Martinez adopted this measure in response to a request by Attorney General Clotildo Jimenez, who denounced Saguier for remarks he made in the United States. Saguier said: "I believe the Paraguayan Government protects drug trafficking. There is evidence of a government relationship with drug traffickers. Moreover, this drug trafficking has political connotations because those who from within the government are

trafficking drugs are the ones opposed to an opening, simply because under current conditions there is no control and they remain unpunished."

Prosecutor Jimenez has presented as evidence a written copy of Saguier's remarks released a few days ago by the U.S. Information Service (USIS). [passage omitted]

Regarding the charges brought against him for having violated Law 209, Dr Miguel Abdon Saguier yesterday stated that he was not surprised by the prosecutor's charges: "It will not be the first time that we have been tried because of our political activities. What we can say is that we are persecuted because of our ideas."

Saguier added: "Everyone in our country knows that the institutions are not independent. For example, the judges, members of the judicial branch, are affiliated with the government party. Therefore, far from having a partial [as published] and equitable behavior, they are instead our political adversaries, that is, they are judges and accusers at the same time."

Late last night nothing was yet known about Saguier's arrest. Last night it was rumored that he was in hiding.

Seeks Asylum at Argentine Embassy

PY081648 Asuncion Radio Primero de Marzo in Spanish 1412 GMT 8 Apr 88

[Text] We are now contacting Mrs Patricia Abente de Saguier, Dr Miguel Abdon Saguier's wife.

[Begin recording] [Reporter] How are you, Mrs Saguier?

[Mrs Saguier] Good morning. Good morning to Primero de Marzo's audience.

[Reporter] Can you tell us where your husband is? Is it true that he is in the Argentine Embassy?

[Saguier] That is correct. Following a very special meeting, this morning the executive board members of his movement, the Popular Movement for Change [Movilizacion Popular Para el Cambio—MPC], decided to take him to the Argentine Embassy to seek asylum.

[Reporter] What time did this happen?

[Saguier] Sometime between 0800 and 0900.

[Reporter] Between 0800 and 0900?

[Saguier] Right.

[Reporter] Did he ask for political asylum?

[Saguier] That is correct. He asked for political asylum.

[Reporter] Have you contacted the ambassador, Dr Quijano?

[Saguier] As far as I know Dr Quijano is now in his residence and will go to the chancellery; because my husband took asylum at the chancellery and not at the residence.

[Reporter] When did the MPC meet?

[Saguier] Last night.

[Reporter] Did they meet last night?

[Saguier] Yes.

[Reporter] In other words, last night they made the decision to...

[Saguier, interrupting] The decision was made last night in view of the special circumstances involving my husband, right? In the first place, if they [not further specified] take him to...[changes thought] if the court proceedings continue, he would not be allowed an impartial indictment or trial. In addition, the issue involving [words indistinct] because drug trafficking, the government's involvement in drug trafficking activities, is even a danger to his life.

[Reporter] What did your husband say before entering the embassy?

[Saguier] I do not know because I did not accompany him. I was not there.

[Reporter] Who took him there?

[Saguier] I cannot say for sure who took him there. In this regard, I think you should contact someone from the MPC, like Engineer Boccia, Dr Franco, Mr Enzo Guggiari, or Dr Martinez Yaryes. I cannot tell you exactly what happened because I was not there.

[Reporter] Was your husband in good spirits?

[Saguier] Well, he is used to this type of struggle and he has a goal, which is to liberate the country from the current oppression. I believe he is firm in this regard.

[Reporter] Then, did Dr Miguel Abdon Saguier actually ask for political asylum at the Argentine Embassy?

[Saguier] That is correct.

[Reporter] Are they just waiting for Dr Quijano to arrive at the chancellery, then?

[Saguier] Correct. Apparently, that is what they are waiting for in order to report to their government, right?

[Reporter] Right. Have you had any contact with Dr Miguel Abdon Saguier since he entered the embassy?

[Saguier] No. I have not had any contact. I would like to go there but I am going to wait a little until [words indistinct] the ambassador arrives.

[Reporter] We very much appreciate your information for Radio Primero de Marzo. You are very kind.

[Saguier] Thanks to Primero de Marzo. [end recording]

Government on Asylum Request

PY110212 Asucnion EL DIARIO in Spanish
10 Apr 88 p 11

[Text] Reagarding the political refugees' request for political asylum, Paraguayan Deputy Foreign Minister Rodney Elpidio Acevedo has said they could be allowed to leave the country without a safe-conduct, with only government guarantees, but he believes this is not likely to happen.

Deputy Minister Acevedo was officially informed by Argentine Ambassador to Paraguay Raul Quijano that his government has granted political asylum to opposition Leader Miguel Abdon Saguier, who sought shelter at the Argentine Embassy at 0930 on 8 April. Ambasador Quijano also requested the Paraguayan Government to grant the necessary safe-conduct for Saguier to leave the country.

Acevedo said Saguier's case is similar to that of former Captain Napoleon Ortigoza and Hermes Rafael Saguier (Miguel Abdon Saguier's brother), who sought refuge at the Colombian Embassy. In both cases, "the Paraguayan Government is studying the situation and will decide what to do," Deputy Minister Acevedo said.

Asked whether the refugees have any chance of leaving the country without safe-conducts, Acevedo said: "They could leave the country without a safe-conduct, with only guarantees granted by the government. Through a safe- conduct, which is a written guarantee, the government gives them the status of political refugees. It is very improbable, however, that they would leave the country without a safe-conduct," he said.

Acevedo pointed out that "people who seek refuge at embassies generally look for shelter and support. Later on, depending on the embassy's government, they are granted the status of political refugees, and the government requests a safe-conduct to take the refugees out of the country."

Acevedo said: "Sometimes the entire situation is solved through talks and requests alone." Acevedo commented that this "was the case with Catroge, who sought refuge at the Paraguayan Embassy in Buenos Aires, and who left Argentina without a safe-conduct thanks to the personal mediation of our ambassador in Buenos Aires. Castroge was not granted diplomatic asylum. He was given guarantees to go to the airport. Something similar occurred with another journalist named Vago, who was in Paraguay in identical circumstances, and later returned to Argentina," Acevedo concluded.